Aquidneck Island
Consolidation Feasibility Study

June, 2009

RIPEC

Table of Contents

Introduction **1**

I. Executive Summary and Literature Review **3**

II. District Overview for Middletown, Portsmouth and Newport **17**
Aquidneck Island Overview 18
Personnel 26
Budget Analysis 30
Forecast 37

III. Consolidated District Overview and Forecasts **51**

Introduction 52
Regional District Snapshot – Demographics, Finances And Model 1 53
Regional District Snapshot – Staffing Analysis and Models 2-4 63
Regional District Snapshot – Capacity Analysis and Models 5-6 70

IV. Summary, Conclusions and Future Directions **89**

Introduction 90
Overview of Models 91
Additional Benefits 94
Challenges and Opportunities 98
A Potential Pathway to Consolidation 113

V. Appendix **115**

List of Tables 116
Weighting Methodology 119
Staffing Breakout 120
Revenue/Expenditure Methodology 123
Benchmarking District Explanatory Notes and Methodology 124
Glossary – Benchmarking Districts 126
Superintendent Survey Results 129
Summary of Newport Retiree Health Care Provisions 137
Rights and Duties of Regional School Districts 139
Literature Review 143

Introduction

Quality education is recognized as an essential component of a state's long-term economic viability and, as such, states and municipalities across the country have made significant investments in public education. Beyond economic benefits, schools are often seen as a vital part of a community, serving as an educational and social hub for residents. However, fiscal challenges at the state and local levels have led to increasing pressure on school budgets, leading to unpopular measures to balance budgets such as programmatic cuts or school closures.

The Ocean State is not alone in facing these challenges. While each state must reconcile unique characteristics, these budgetary pressures have led a number of states to look again to consolidation, whether through legislation forcing districts to consolidate or through the provisions of incentives such as increased state aid. However, there continues to be little consensus on whether consolidation is the correct choice for districts. A balance of issues must be considered, including how consolidation will impact the quality of education, student life, revenues, and spending.

The Aquidneck Island Advisory Group, serving the three communities of Middletown, Newport and Portsmouth, expressed an interest in exploring the feasibility of school consolidation or cooperation initiatives among these communities and their respective school districts. After discussion with the Aquidneck Island Advisory Group, the Rhode Island Public Expenditure Council (RIPEC) agreed to prepare an analysis as contained in this report. This study was designed to provide policymakers and stakeholders with the preliminary tools with which to evaluate consolidation on the Island. It can also be used as a prototype for others when considering the concept of consolidation.

RIPEC would like to acknowledge the important and invaluable input of the Advisory Group in the endeavor and thank them for their advice and guidance. RIPEC would also like to acknowledge Alan Hassenfeld and Hassenfeld Family Initiatives LLC, which graciously helped fund this study.

In addition to this Introduction, the report is divided into five main sections:

- *Executive Summary and Literature Review:* provides an overview of the findings in this report and summarizes the literature review (found in full in the Appendix) and current context to provide a framework for the report.

- *District Overview for Middletown, Portsmouth and Newport:* includes an analysis of the three communities in a number of areas such as population, income, employment, historic and projected enrollments, municipal fiscal capacity, and the share of municipal revenue dedicated to education. This section also includes a staffing analysis that looks at total staff, student/teacher ratios, and expenditures dedicated to personnel costs. Finally, the section provides a budget profile of the three districts, including total and per pupil revenues and expenditures, expenditures by category and program, and a budget forecast through FY 2014 for each of the three districts.

- *Consolidated District Overview and Forecasts:* provides a benchmarking analysis against four communities that were selected by the Advisory Group (Bristol and Stratford, CT; Attleboro, MA; and Union, NJ) in which the three Aquidneck Island districts are combined to form a hypothetical consolidated district and measured against the benchmarking communities. The communities were compared on enrollments, test scores, revenues, expenditures, staffing, student/teacher ratios, personnel expenditures, number and type of facilities, and transportation expenditures.

These comparisons helped form the basis for the models that were developed in order to provide a picture of what consolidation might look like on the Island. Six models were developed to show various options under consolidation and potential savings that may result. These models include increasing student/teacher ratios using three different sets of assumptions, administrative and non-certified staff reductions, and school closures at the middle and high school levels.

- *Summary, Conclusions and Future Directions:* reviews the models and budgetary implications of consolidation and examines additional benefits, challenges to consolidation, and opportunities short of consolidation or steps that the districts may want to take as the move toward creating a single district. Among the additional benefits considered are enhancements to the educational experience and teaching force, as well as the potential to retain the local elementary school model under consolidation. The section also examines challenges such as transportation costs, alignment of curriculum and standards, and teacher contracts, as well as opportunities short of consolidation such as increasing use of shared services or enhancing existing collaborations between the districts. Finally, the section outlines a potential pathway to consolidation, should the districts choose to pursue that option.

- *Appendix:* includes additional information regarding methodology, staffing, academics, extracurricular activities, and a glossary for the benchmarking analysis.

The full report will also be available on RIPEC's website at: www.ripec.org

Section I:
Executive Summary and Literature Review

Executive Summary

Over the course of the past few months, RIPEC, in conjunction with the Aquidneck Island Advisory Committee, engaged in a comprehensive study of the feasibility of school consolidation and cooperation initiatives for the three districts on the Island: Middletown, Newport and Portsmouth. The study examined community profiles, enrollment trends, staffing, budget profiles including financial forecasts, facilities and capacity, and current efforts toward cooperation. RIPEC developed a series of models designed to provide policymakers with a baseline tool with which to evaluate the feasibility of consolidation.

District Overview

The analysis examined the current picture of the districts including:

- Community Profiles (demographics, municipal fiscal trends and capacity, historic and projected enrollments and student populations);
- Staffing Trends (total staff, classifications and student/teacher ratios); and
- District Budgets (historic and projected revenues and expenditures).

The study found that all three districts face declining enrollments over the next few years. Between FY 2009 and FY 2014, the districts are projected to lose between 8.1 percent (Portsmouth) and 21.3 percent (Newport) of the student population. Across the entire Island, this translates into a loss of 889 students, or 12.0 percent of the total student population. By 2014, the combined districts are projected to have a total student population of 6,493 students.

Table I-1
Aquidneck Island Enrollment
FY 2005 - 2014 (projected)

			2005-09				2009-14*	
Grade	2005	2009	Amount	Percent	2009	2014*	Amount	Percent
Middletown	2,566	2,378	-188	-7.3%	2,378	2,173	-205	-8.6%
Newport	2,608	2,096	-512	-19.6%	2,096	1,649	-447	-21.3%
Portsmouth	3,061	2,908	-153	-5.0%	2,908	2,671	-237	-8.1%

* Projected

SOURCE: RIDE fall enrollment; Whitehall, NESDEC, and Middletown projections; RIPEC calculations

All three districts are also projected to face deficits in the out-years. Middletown's operating budget deficit is projected to grow from $0.3 million in FY 2010 to $2.8 million in FY 2014 (1.0 percent to 7.5 percent the district's projected operating revenues). Newport is projected to have a deficit of $0.5 million in FY 2010 and $3.6 million in FY 2014 based on the baseline expenditure and revenue forecasts. This translates into an estimated 1.4 percent to 8.8 percent of the district's forecasted unrestricted revenues. Portsmouth is projected to have estimated operating deficits from $0.2 million in FY 2010 to $1.4 million in FY 2014 (an estimated 0.7 percent to 3.4 percent of the district's projected unrestricted revenues).

The facility analysis indicated that there is currently excess capacity in the districts' school buildings. This excess capacity is projected to continue increasing as enrollments decline. On the elementary level, the three districts are projected to have an excess capacity of 1,092 seats in FY 2014. On the middle school level, there is projected excess capacity of 844 seats in FY 2014. On the high school level, the excess capacity is projected to reach 1,361 seats in FY 2014.

Table I-2
Projected FY 2014 Enrollment and Capacity

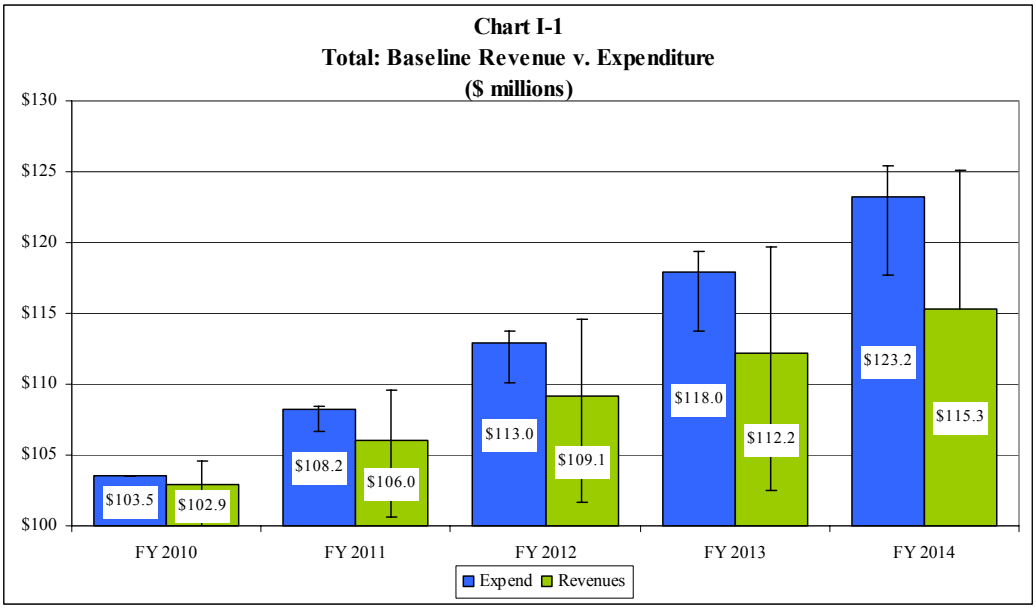
	Middletown		Newport		Portsmouth		Total	
	Enroll	Capacity*	Enroll	Capacity*	Enroll	Capacity*	Enroll	Capacity*
Elementary**	657	795	636	1,272	1,006	1,324	2,299	3,391
Middle	870	1,000	523	760	579	1,056	1,972	2,816
Secondary	606	920	448	1,200	955	1,250	2,009	3,370
Total	*2,133*	*2,715*	*1,607*	*3,232*	*2,540*	*3,630*	*6,280*	*9,577*

* Capacity assumes closure of Kennedy and Carey elementary schools at the end of the 2008-09 academic year.

** Middletown Elementary is K-3; Newport is K-4; Portsmouth is K-5, kindergarten students count as .5 FTE; totals exclude pre-K programs

Summary of Models

In order to provide the committee and policymakers with a tool to guide the decision process around consolidation, six models were developed that forecasted revenues and expenditures in a hypothetical consolidated district. Collectively, the three communities are projected to experience deficits ranging from $0.6 million in FY 2010 to $7.8 million in FY 2014. This translates into projected deficits of 0.6 percent to 6.4 percent of the total forecasted operating budgets across all three communities.



Models 1 and 2 project a deficit in all years of the forecast, although Model 2 effectively cuts the forecasted deficit almost in half when compared to Model 1 (see Table IV-2). Projected unrestricted budget deficits range from $1.5 million in FY 2012 (the assumed year of consolidation) to $4.5 million in FY 2014. While models 3 and 4 include forecasted surpluses in both FY 2012 and FY 2013, these models also project operating budget deficits by FY 2014 ($1.1 million and $0.5 million, respectively).

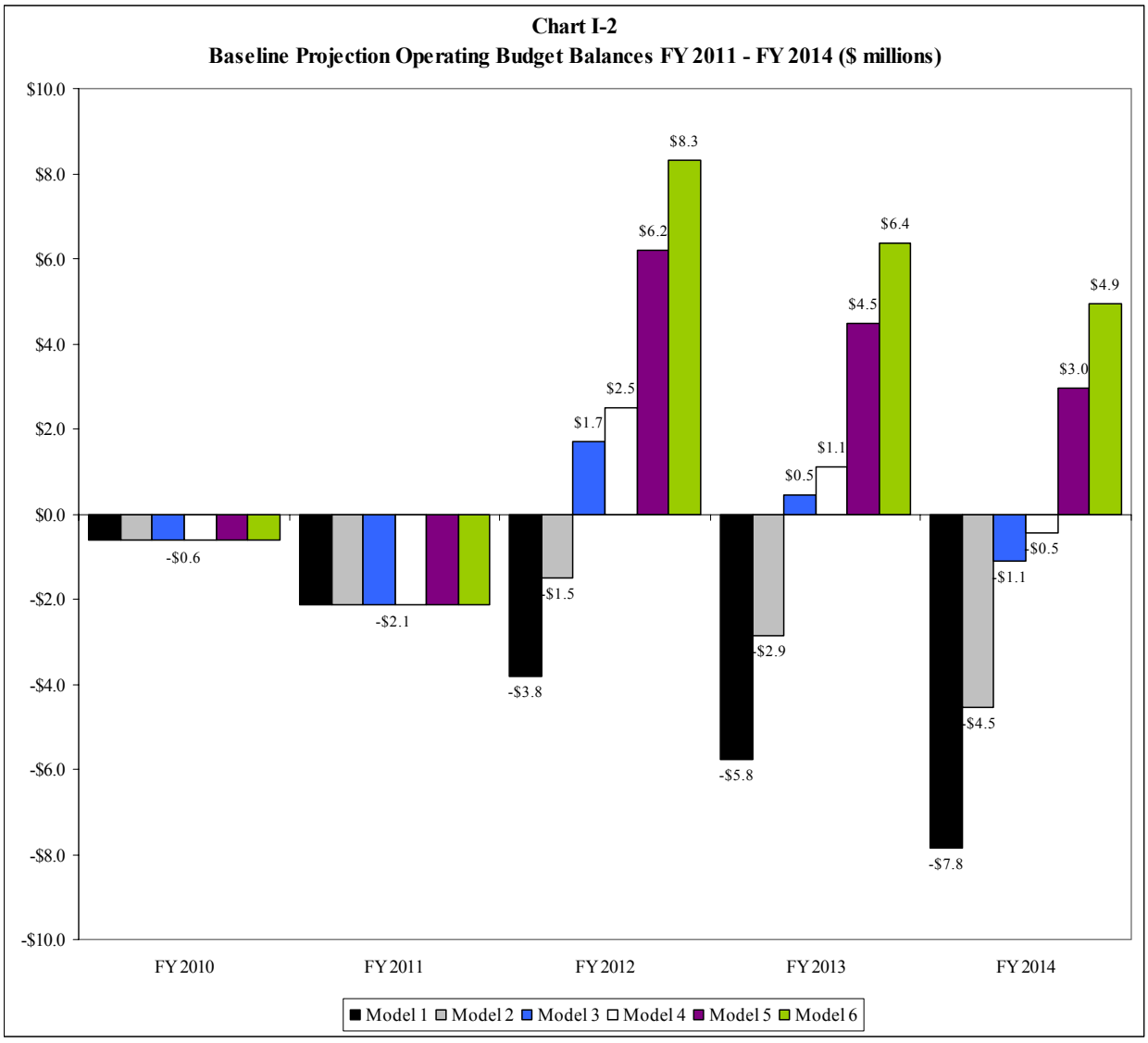
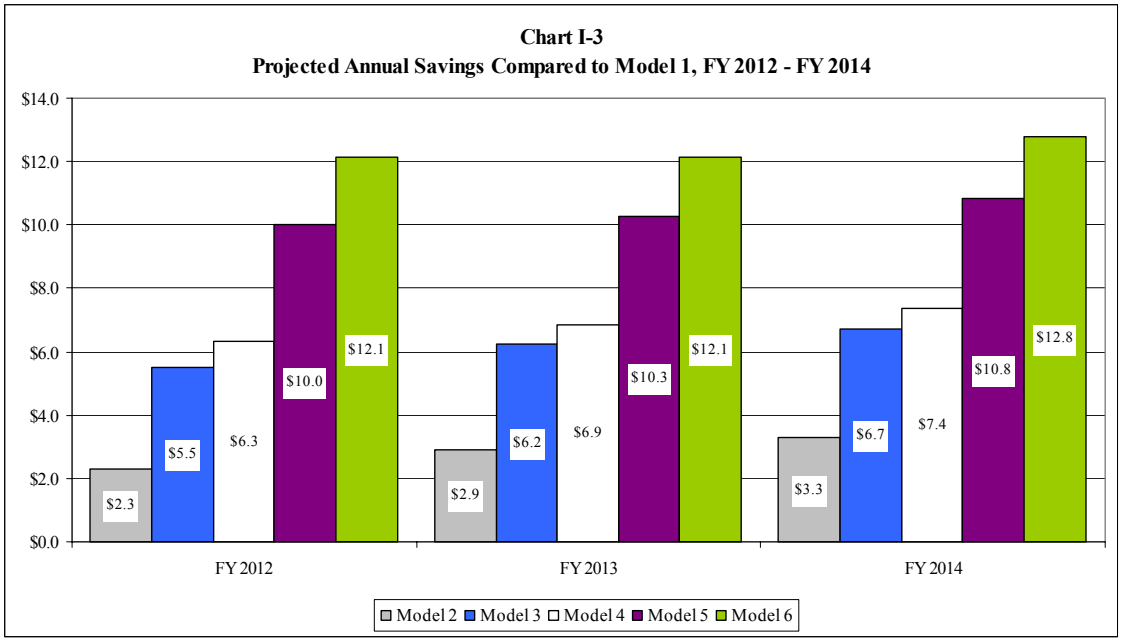


Chart I-3 shows projected savings compared to Model 1 (status quo) if the districts were consolidated. Depending on the model used, if districts were consolidated, projected annual savings range from $2.3 million in FY 2012 (Model 2) to $12.8 million in FY 2012 (Model 6). In addition to the assumed savings from consolidation, the three districts have the potential for increased capital savings due to the housing aid regionalization bonus, which would increase the reimbursement rate from the 30.0 percent the communities currently receive to an estimated 60.0 percent.

Another way to evaluate the models is in the relative savings each would afford the districts compared to the "do nothing" option outlined in Model 1. Depending on the model used, if districts were consolidated, projected annual savings range from $2.3 million in FY 2012 (Model 2) to $12.8 million in FY 2012 (Model 6).



The above table shows projected per pupil expenditures assuming the status quo (Model 1) and school district consolidation (Models 2-6). In Model 1, per pupil expenditures are projected to increase from $14,719 per pupil in FY 2010 to $19,363 per pupil in FY 2014. Assuming school district consolidation, per pupil expenditures are projected to be lower under all scenarios. In FY 2014, per pupil expenditures would range from $18,845 per pupil under Model 2 to $17,353 per pupil under Model 6.

Table I-3
Forecasted Per Pupil Expenditures FY 2010 - FY 2014

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Middletown	$14,816	$15,707	$16,685	$17,553	$18,607
Newport	18,656	20,426	22,608	24,766	27,201
Portsmouth	12,550	13,261	13,985	15,006	15,824
Model 1	$14,719	$15,747	$16,883	$18,116	$19,363
Model 2	14,719	15,747	16,539	17,667	18,845
Model 3	14,719	15,747	16,057	17,159	18,305
Model 4	14,719	15,747	15,940	17,061	18,203
Model 5	14,719	15,747	15,387	16,540	17,663
Model 6	14,719	15,747	15,067	16,254	17,353

NOTE: Newport projections include the district's OPEB liability, which is excluded in the "combined district" expenditure projections. Totals do not include restricted funding.

The consolidated districts would also realize significant savings in their debt service payments for capital improvements due to the current regionalization bonus for state housing aid; if the districts were to consolidate, they would be able to effectively double the State reimbursement rate. The analysis shows that the districts could collectively save $4.2 million annually on a $175.0 million bond initiative if they were to regionalize. Over the 20 year life of the bond, this would equate to $84.3 million in total savings. If the districts were to issue $200.0 million in bonds for capital improvements, estimated annual savings would be $4.8 million, which equates to $96.3 million in savings over 20 years. The regionalization bonus has the potential to bolster the district's ability to retain their neighborhood elementary schools as well. By enhancing reimbursement rates for housing aid, the districts will have a greater ability to provide for the necessary construction, renovation and repair of these schools.

Additional Benefits

Often, potential cost savings are the primary impetus behind district consolidation. However, an equal, if not more important, consideration is how consolidation may impact student's educational experience. As school budgets decline and enrollments fall, schools and districts find themselves in the difficult position of eliminating or restricting classes, extracurricular activities and, in some cases, altering grade configurations due to school closures and capacity issues. Consolidation may have the potential to alleviate the economic pressures that lead to these decisions through increasing cost savings and creating a critical mass of students that would enable the districts to expand curricular and extra-curricular activities. Further, through increased flexibility in student and teacher assignment, and increased housing aid, consolidation may allow the districts to retain the neighborhood elementary school model without moving elementary students into the middle school level.

Curriculum

As enrollment continues to decline in Aquidneck schools, increased costs and decreased course offerings have become a reality in some districts and others will soon face challenges. For example, one Aquidneck district, which had students who expressed interest in starting a Japanese language program, was unable to do so due to low enrollment. As another example, one district noted that they are not able to offer fifth-level language courses. As such, students who enter high school with one or more years of foreign language are not able to take four years of that language in high school. In some cases, districts may include courses in their catalogue but do not offer them because of low student requests.

Consolidation may allow a more diverse curriculum and provide an increased mass of students for a wider range of academic offerings to better meet student needs at all levels and to provide a broader range of courses. Higher student populations are likely to translate into fewer courses being dropped due to low enrollment. Recently, the Massachusetts towns of Ayer, Lunenburg and Shirley have examined the potential benefits of merging the three districts and concluded that a consolidated district would provide increased academic opportunities for students. While other studies have found mixed results regarding the impact of consolidation on academic achievement (see the Literature Review), there is evidence that small schools are limited in the number of courses they can offer and that large schools face fewer challenges in this regard.

Extra-curricular Activities
Increased numbers of students may also allow for expanded extra-curricular opportunities in arts, music, drama and athletics. Although the three districts offer a broad range of extracurricular activities, one district noted that, while they could easily field additional teams, it is not feasible to expand their extra-curricular activities at this time. In addition, some programs, such as the marching band, are severely underfunded. Combined support for these programs is likely to increase extra-curricular opportunities such as athletic and academic teams, music and theater programs, and intramural activities. While some activities, such as sports teams, have a prescribed limit to the number of students who are able to participate and when two schools combine, the total number of positions in these activities is cut in half, these lost positions may be replaced by the addition of new sports teams like wrestling or crew. Furthermore, some studies have shown that consolidated schools that are able to increase extracurricular offerings have a net positive impact on student participation in these activities.

Local Elementary Schools
Although this analysis achieves the largest portion of cost-savings through the closing of one middle school and one high school, the analysis retains all elementary schools. While larger schools may offer increased academic and extra-curricular opportunities at the middle and high school level, there is a large body of research that notes the benefits of retaining a neighborhood elementary school model. Local elementary schools tend to have lower student/teacher ratios in the grades where smaller class sizes are demonstrated to have the greatest impact. Neighborhood elementary schools may enhance the feeling of community and provide a focal point for neighborhood involvement. Retention of these schools would allow each community to retain local control over educational decisions at the earliest level. Finally, retaining neighborhood elementary schools has the potential to reduce costs with regard to transportation. Local elementary schools enable a larger amount of students to walk or bike to school, thereby reducing transportation costs for the district.

Next Steps

RIPEC recommends the following steps as a potential path to consolidation should the communities opt to pursue a consolidated district:

Increase use of shared services
All three districts have a number of shared services agreements with collaboratives, statewide organizations and State and local governments. However, our review of their use of these services indicates that there are potential areas for expansion. Specifically, as the districts further evaluate the feasibility of consolidation, performing common services, such as IT and financial services such as payroll, together may yield cost savings and help build a common culture between the three districts. Special attention should be paid to who should provide the service and how, in order to reap the maximum benefit from the collaboration. In addition, the districts should continue working to enhance their use of the existing collaboratives, such as the EBEC in areas such as joint purchasing.

Joint educational planning
In addition to increased cooperation with regard to purchasing or performing services, RIPEC recommends that the districts look into joint educational planning. While State mandates have moved, and continue to move, all the districts in a common direction, special attention should be paid to alignment of curriculum, standards, graduation requirements, etc. This includes joint curriculum development, which also has the potential to generate additional savings for the districts. Joint educational planning should also include a comprehensive facility review by a single entity, which will provide for a common baseline in order to assess where additional savings could be found, and where opportunities to enhance current facilities or develop new facilities exist.

Legal and structural analysis
While the literature does not offer any solid conclusions regarding the benefits or detriments of consolidation, what is clear is that the organization of the consolidated district will have a significant impact on the success or failure of said district. To this end, it is important that the districts undertake a careful legal analysis, paying special attention to issues such as governance, funding and school committee representation. The three districts might want to pay special attention to the challenges faced by regional districts in the State and in Massachusetts as they outline their framework.

The districts should also consider structural questions that relate to the physical and pedagogical aspects of the district. One area of consideration might be whether to build one large high school (or middle school), develop school-within-a-school models, or retain two separate high schools (or middle schools). Another consideration might be graduation requirements, which currently differ slightly between the three districts (for example, Middletown includes a community service requirement).

Conclusion

Opportunities exist to generate significant savings to the districts through consolidation while enhancing educational opportunities. Estimated average annual operating budget savings for all three districts combined range from $2.8 million to $12.3 million between FY 2012 and FY 2014 and consolidation may allow neighborhood schools on the elementary level to be maintained while consolidation can provide an increased critical mass of students for a wider range of academic offerings to better meet the academic needs of students at all levels. Increased numbers may also allow for expanded extra-curricular opportunities (e.g. arts/music/drama and athletics). The opportunity for other activities (intramurals, academic teams) may also increase.

Further, the State currently offers a financial incentive to districts that are looking to consolidate in the form of increased reimbursement rates for school construction. If the districts were to consolidate, they may be able to effectively double the State reimbursement rate from the current 30.0 percent to an estimated 60.0 percent. Current capital borrowing plans are between $175 and $200 million. There also exists the potential for increased savings via increasing the level of shared services with municipal government (e.g. financial operations and purchasing). The districts may be able to generate additional revenue through land sales/rental fees or alternate uses for properties that may no longer be necessary post-consolidation.

Literature Review and Rhode Island Context

Introduction

The provision of education is one of the most difficult policy challenges faced by state and local governments. Education spending represents the single largest expenditure category for state and local budgets. In Rhode Island, State education aid represents the third largest expenditure category, behind personnel and medical assistance. At the local level, spending on education accounted for almost 57 percent of total municipal expenditures in FY 2009. At the same time, Rhode Island's long-term economic viability depends on the quality and performance of public schools. As such, a balance of issues must be taken into consideration when evaluating the performance of an educational system in order to effectively identify opportunities for reform and improvement.

In FY 2007, the most recent year for which comparable statewide data is available, Rhode Island districts spent, on average, $13,139 per student. Per pupil expenditures are projected to continue accelerating through the end of the decade. Based on RIPEC calculations, statewide spending on education is projected to increase to $16,444 per pupil in FY 2010. If this were to be the case, per pupil education spending between FY 2000 and FY 2010 would increase at an average annual rate of 6.1 percent. However, between FY 1990 and FY 2000, per pupil education expenditures increased at an average annual rate of just 4.4 percent, from $5,918 in FY 1990 to $9,086 in FY 2000.

The acceleration of growth in per pupil spending is due, in part, to changes in student enrollments between the two decades. Between FY 1990 and FY 2000, student enrollments increased from 135,035 students to 155,351 students, at an average annual rate of growth of 1.4 percent. However, the number of students attending public, non-charter or State schools has declined every year since 2004 and is projected to fall to 140,379 in FY 2010. This projects an average annual rate of decline of 1.0 percent.

The Aquidneck Island communities are facing similar pressures with regard to increasing expenditures and declining enrollments. Based on district-provided projections, the three communities combined anticipate an enrollment decline of 12.0 percent between FY 2009 and FY 2014. In each community, these anticipated enrollment declines range from 8.1 percent in Portsmouth to 21.3 percent in Newport.

Table I-4
Aquidneck Island Enrollment
FY 2009 - FY 2014 (projected)

	FY 2009	FY 2014*	FY 2009-14* Change	FY 2009-14* %
Middletown	2,378	2,173	-205	-8.6%
Newport	2,096	1,649	-447	-21.3%
Portsmouth	2,908	2,671	-237	-8.1%
Total	**7,382**	**6,493**	**-889**	**-12.0%**

* Projected

SOURCE: RIDE fall enrollment; Whitehall, NESDEC, and Middletown projections; RIPEC calculations

At the same time, expenditures are increasing significantly. Between FY 2003 and FY 2007, per pupil all funds expenditures (including federal spending) in the three communities increased by 28.4 percent, which translates to

Table 1-5
Per Pupil Expenditures (All Funds, In$ite)
FY 2003 - FY 2007

	FY 2003	FY 2007	FY 2009-14* Change	%
Middletown	$10,948	$14,839	$3,890	35.5%
Newport	13,476	17,851	4,375	32.5%
Portsmouth	9,092	11,254	2,162	23.8%
Total	$11,155	$14,321	**$3,166**	**28.4%**

SOURCE: Rhode Island Department of Education; RIPEC Calculations

an average annual rate of increase of 5.1 percent. Middletown has seen the largest percent increase in total per pupil expenditures, growing by 35.5 percent over the five-year period, while Newport saw the largest absolute increase during this time, growing by $4,375. As noted above, these expenditure increases are driven in part by a declining student population, as well as by a changing mix of student need and the increased cost of educational inputs such as salaries and benefits.

The three Aquidneck Island communities are also facing pressure on the revenue side, as are all Rhode Island districts. Due to fiscal pressures at the State level, state aid to education has been level-funded since FY 2007, and increased funding does not appear likely. Similarly, municipalities are currently faced with falling home values and a declining property base, coupled with increasing budgetary pressure as a result of the property tax cap. While increased federal funding through the American Recovery and Reinvestment Act provides some relief for districts in FY 2009 – FY 2011, these funds are temporary and are not a long-term solution to the growing pressures faced by communities.

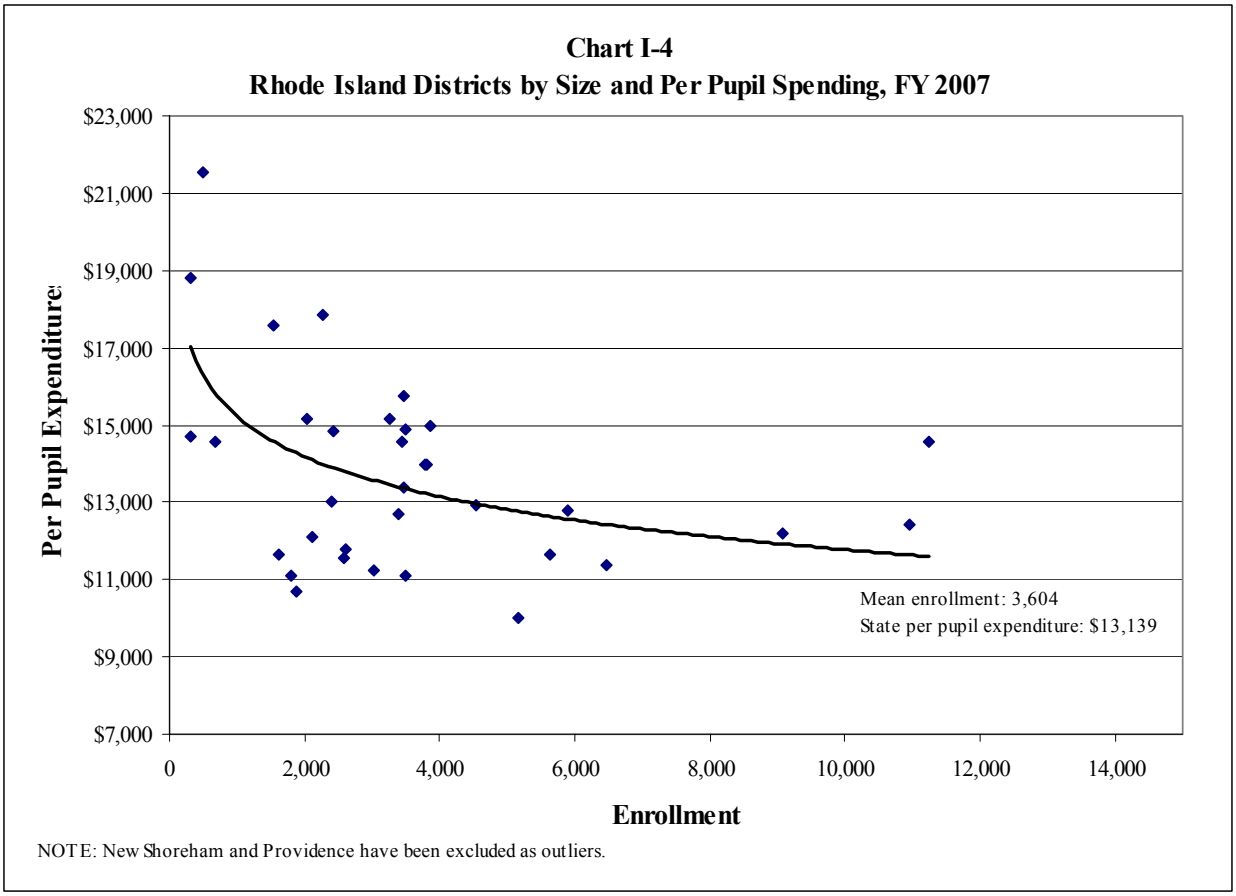
The Ocean State is not alone in facing these issues. While each state must reconcile unique characteristics, budgetary pressures have led a number of states to look again to consolidation, whether through legislation forcing districts to consolidate or through the provisions of incentives such as increased state aid. However, there continues to be little consensus on whether consolidation is the correct choice for districts. The following summarizes the literature review, which is provided in full in the Appendix, and reviews the current situation in Rhode Island to create a framework for discussions around consolidation.

Efficiency

In general, consolidation is the process of combining two or more school districts for the purposes of decreasing cost and increasing educational opportunity. As the mission of schools and districts has moved beyond the "3 Rs" however, it has become more difficult to apply principles of economies of scale to education studies. The relationship between inputs and outputs is less clear than in traditional "efficiency" models due to the multi-dimensional nature of education. For example, changing expenditures can reflect changing preferences, input costs, or responsibilities on the part of the district or school, as well as varying levels of efficiency.

Despite these difficulties, the majority of the work on consolidation focuses on the issue of "optimal size," which directly relates to the economies of scale argument. That is, after a certain point, above or below a certain size, diseconomies of scale will begin to emerge in the provision

of education. In general, the literature demonstrates that very small and very large districts have the highest per pupil costs (a U-shaped production function). In Rhode Island, the vast majority of districts are clustered toward the lower range of enrollment, with only four districts in the State with enrollments over 10,000 students. However, there is some evidence that smaller districts have slightly higher per pupil costs than those in the middle; excluding New Shoreham, the four smallest districts in the State spend $17,418 per pupil, compared to $13,259 per pupil for the "middle sized" districts. One should note that this analysis excludes both New Shoreham and Providence due to their very large and very small size.

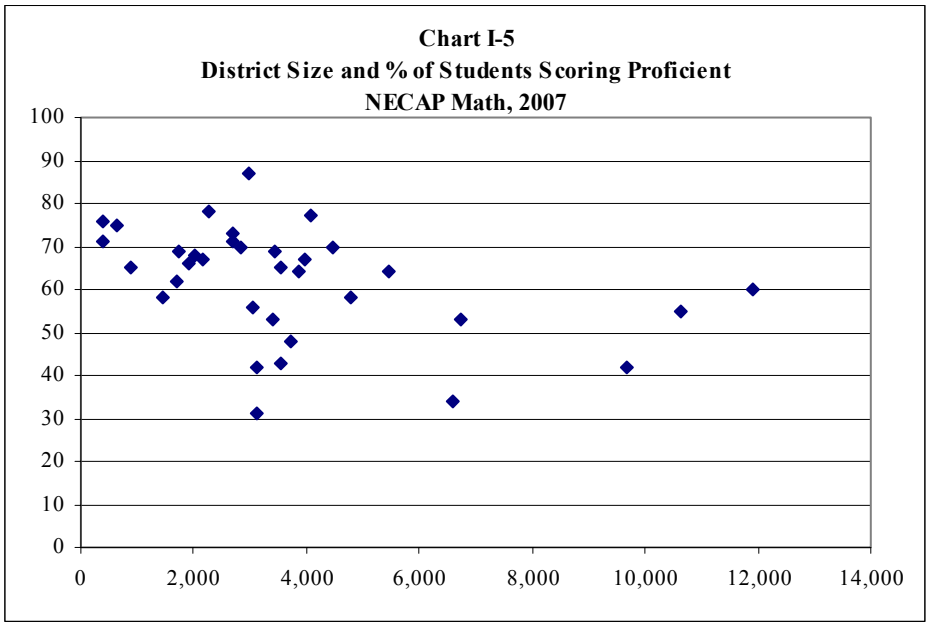


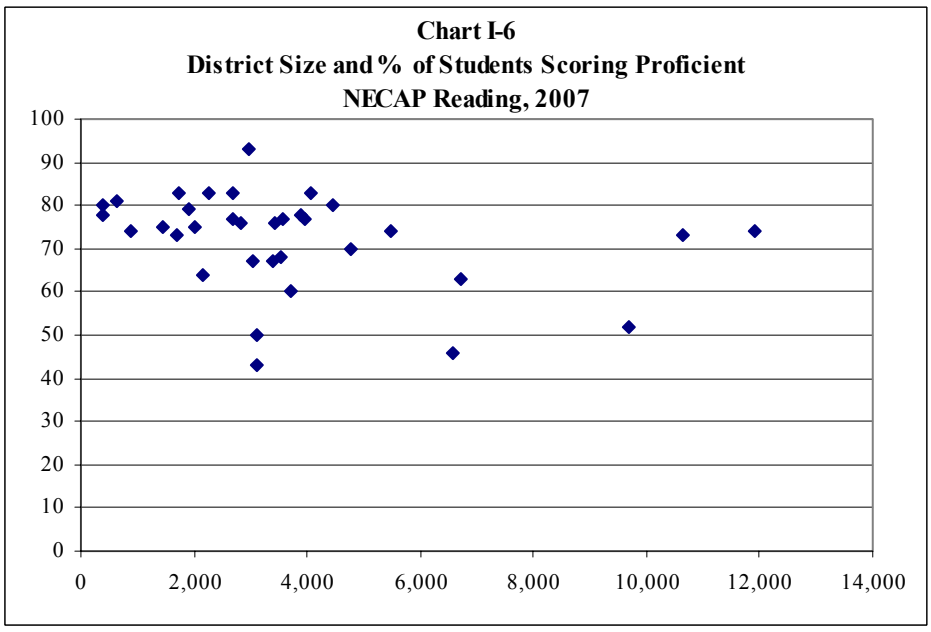
One of the most frequently cited statistics regarding optimum size comes from Duncombe and Yinger, from the "Education Finance and Accountability Program" at Syracuse University. They note that the optimal size (that is, the lowest cost per pupil) for districts is approximately 6,000 students. Other researchers have noted that diseconomies of scale emerge above 15,000 students.

Educational Outcomes

In addition to efficiency-based arguments, there is a significant body of research on the effect of school or district size on educational outcomes, such as test scores, graduation or dropout rates, and attendance. As with studies on the cost-effectiveness of consolidation, findings on the impact of school and district size on educational outcomes is mixed.

In Rhode Island, the schools with the lowest size tended to have higher proficiency rates on the New England Common Assessment Program (NECAP) math and reading tests compared to districts in the middle or large cohorts. However, the highest-scoring district on both tests, Barrington, was in the middle enrollment cohort, as was the lowest-scoring district (Central Falls).





Other States

A number of other states have considered consolidation as a means to achieve cost-savings, including Massachusetts, New Jersey and Maine. These efforts have ranged from legislation mandating consolidation except in situations where it is impractical (Maine), to calls for study (New Jersey). In Massachusetts, a number of districts have consolidated on their own, though the last completed consolidation occurred in 2000 when Manchester and Essex regionalized. As of publication, the districts Ayer, Lunenburg and Shirley were in the process of finalizing their transition plan (www.alsregion.org).

Conclusions

The continuing argument for school consolidation has not changed much since the early days of the movement. Proponents argue that the process allows communities to respond to such challenges as declining revenues, increasing costs or a decreasing student population by bringing more economic efficiency to the districts. At the same time, the argument is grounded in the philosophy that "bigger is better," and that larger schools are better able to provide a range of curricular and extracurricular offerings that are posited to increase academic achievement and student satisfaction. Further, it has been argued that larger schools, by providing educators with a broader range of resources, including professional development opportunities, may increase teaching skill and efficiency.

Despite the sustained popularity of the school consolidation movement, the issue remains controversial. Opponents of the movement point to studies that show there is little or no evidence of cost savings, as economic efficiencies gained in one area, such as administrative salaries, are replaced by additional costs in other areas like transportation. In addition, consolidated or regional districts result in a perceived or real "loss of local control" by communities, which is particularly relevant where schools are seen as the community's "heart and soul." There has also been evidence that larger schools (though not necessarily larger districts) have negative educational outcomes, such as higher dropout rates, lower attendance, and worse test scores.

While there is little consensus on district consolidation, an overview of the literature demonstrates a clear need for any analysis to take into account unique state and local factors. Studies based on nationwide samples and nationwide statistics result in "average outcomes" that may not be generally applicable, particularly in small states such as Rhode Island. It is thus clear that decisions regarding consolidation require rigorous and detailed analysis, hence the purpose of this study.

Section II:
District Overview for Middletown, Portsmouth and Newport

Aquidneck Island Overview

Demographics

Population

In this subsection, the population trends for the Aquidneck Island Districts will be examined for the years FY 2005 to FY 2007, where FY 2007 (July 1 estimates) is the latest year for which the most complete estimates are available from the US Census Bureau.

A comparative analysis of population trends of the Aquidneck Island Districts between the years 2005 and 2007 shows that out of the three districts, Middletown has experienced the largest population decline, from 16,697 persons to 16,259 persons, a decline of 2.6 percent. Portsmouth experienced a similar trend of declining population, albeit of a much lesser magnitude than Middletown. From 2005 to 2007, Portsmouth's population declined from 17,090 to 17,030, a decline of 0.4 percent. During the same time period, Newport's population increased from 24,648 to 25,359, an increase of 2.9 percent.

Table II-1
Population Trends
2005 - 2007

	2005	2006	2007	Change
Middletown	16,697	16,419	16,259	-2.6%
Newport	24,648	25,644	25,359	2.9%
Portsmouth	17,090	16,999	17,030	-0.4%
Rhode Island	1,064,439	1,058,991	1,053,136	-1.1%

SOURCE: US Census Bureau; RIPEC Calculations

The declining population trends experienced by Middletown and Portsmouth are in line with the overall decline in Rhode Island state population in that time period considered. Rhode Island's population fell from 1,064,439 to 1,053,136, a decline of 1.1 percent between 2005 and 2007.

Table II-2
Contribution to State Population
2000 - 2007

	2005	2006	2007	Change
Middletown	1.6%	1.6%	1.5%	-0.02%
Newport	2.3%	2.4%	2.4%	0.09%
Portsmouth	1.6%	1.6%	1.6%	0.01%

SOURCE: US Census Bureau; RIPEC Calculations

In terms of percentage contribution to state population, Newport accounts for the highest share, contributing 2.4 percent to Rhode Island's population in 2007. Middletown and Portsmouth are relatively less populated municipalities, contributing 1.5 percent and 1.6 percent, respectively, to overall state population in 2007. The percentage contribution to Rhode Island's population for each of the Aquidneck Island Districts has changed between the years 2005 and 2007. Newport and Portsmouth experienced an increase in the percentage contribution to state population of 0.09 percent and 0.01 percent respectively, whereas Middletown experienced a decline of 0.02 percent.

Median Income

A comparative analysis of median family income for the three Aquidneck Island Districts for FY 2007 shows that Portsmouth has the highest median income at $89,312, followed by Middletown's median income of $74,654, and Newport's median family income the lowest at $70,479. Note that the median income estimates of all three Aquidneck Island Districts were higher than the statewide average median income between the years FY 2005 and FY 2007. The difference between the State median income and the district's median income was the greatest for Portsmouth, followed by Middletown, and the lowest for Newport. According to median income estimates all three districts experienced an increase in Median Family Income from FY 2005 to FY 2007.

Table II-3
Median Family Income*
FY 2005 - FY 2007

	2005	2006	2007
Middletown	$70,220	$70,302	$74,654
Newport	66,292	66,370	70,479
Portsmouth	84,007	84,106	89,312
Statewide	$64,657	$64,733	$68,740

* Projected; median Family Income is calculated by RIPEC and is based on the ratio of the community's median family income in 2000 to the statewide median.

SOURCE: Rhode Island Living; US Bureau of the Census; RIPEC Calculations

Labor Force

As of May, 2009, Newport had the highest unemployment rate of 10.9 percent, followed by Middletown and Portsmouth at 10.3 percent and 9.7 percent respectively. All three districts exhibited a net increase in unemployment from FY 2005 to FY 2009. However, this increase was not consistent across all years; unemployment rates in the three districts show a declining trend until FY 2007, and thereafter start to increase. The highest net increase in unemployment over the five year period is in Portsmouth (5.3 percent), followed by Newport (5.1 percent) and Middletown (4.8 percent).

Table II-4
Unemployment Rate*
FY 2005 - FY 2009

	2005	2006	2007	2008	2009	Change
Middletown	5.5%	5.6%	4.7%	6.6%	10.3%	4.8%
Newport	5.8%	6.0%	5.0%	7.0%	10.9%	5.1%
Portsmouth	4.4%	4.8%	4.2%	5.6%	9.7%	5.3%

* Data is not seasonally adjusted

SOURCE: Bureau of Labor Statistics

Municipal Fiscal Capacity

Median Home Values

Since 2005, communities have seen their residential property tax base erode as home prices around the State continue to fall. While there are signs that the market may be stabilizing, the statewide median single-family home price in 2007 was 2.8 percent lower than in 2005; in 2008, the median sale price was 17.0 percent lower than in 2005. This change impacts whom municipalities must tax in order to generate the same amount of property tax revenue as in years past (i.e. increasing the share of the levy paid by commercial interests).

Table II-5
Median Single Family Home Price
2005 - 2008

	Median Home Price			
	2005	2006	2007	2008
Middletown	$389,450	$384,000	$355,000	$359,000
Newport	449,000	437,450	459,000	392,500
Portsmouth	376,000	423,500	367,000	320,000
Statewide	$282,900	$282,500	$275,000	$234,900

SOURCE: Rhode Island Living

The median home value in all three communities was higher than the statewide median in all years. In 2008, the median sale prices in Middletown, Newport and Portsmouth were 52.8 percent higher, 67.1 percent higher and 36.2 percent higher than the statewide median, respectively. Although the median sales price in the communities has fallen since FY 2005, the decline was greater statewide. In Portsmouth, which saw the greatest drop in the median sales price, median sales values fell 14.9 percent between 2005 and 2008. The median sale price was the most stable in Middletown, which only experienced a 7.8 percent decline over the four-year period. Median sale prices for single-family homes in Newport fell by 12.6 percent between 2005 and 2008.

Property Value per Student

One measure of a community's capacity to fund education is the property value per student. According to data from the Division of Municipal Finance, Newport had the highest property value per student in FY 2009, with a per pupil value of $2.9 million, compared to $1.3 million in Middletown and Portsmouth. All three communities were above the statewide average of $0.9 million.

Table II-6
Property Value per Student
FY 2007 - FY 2009

	Property Value* ($ millions)			Enrollment			Property Value per Student		
	FY 2007	FY 2008	FY 2009	FY 2007	FY 2008	FY 2009	FY 2007	FY 2008	FY 2009
Middletown	$3,093	$3,133	$3,140	2,415	2,365	2,378	$1,280,762	$1,324,642	$1,320,546
Newport	6,051	6,015	6,052	2,282	2,218	2,096	2,651,645	2,712,062	2,887,552
Portsmouth	3,223	3,328	3,661	3,034	2,958	2,908	1,062,140	1,125,217	1,259,104
Total	12,367	12,477	12,854	7,731	7,541	7,382	$1,599,615	$1,654,492	$1,741,268
State	$114,974	$129,964	$131,443	147,868	143,812	141,852	$777,544	$903,705	$926,623

* Total net assessed value real and tangible property
SOURCE: Rhode Island Office of Municipal Affairs; Rhode Island Department of Education; RIPEC calculations

Statewide, assessed property values increased by 14.3 percent between FY 2007 and FY 2009; however, per pupil property values increased 19.2 percent during the same period due to declining enrollments. All three communities experienced this trend. In Middletown, assessed property values increased 1.5 percent, while per student values increased 3.1 percent, and in Newport, which saw very little change in their net assessed value, per student values increased by 8.9 percent due to an 8.2 percent decline in the student population. Portsmouth experienced the greatest change in both net assessed property values, which increased 13.6 percent, and their per pupil value, which increased 18.5 percent.

Note that the three communities are on different revaluation schedules; both Middletown and Newport had a statistical update in FY 2007 (assessment year 12/31/05) and are scheduled to have a revaluation and another statistical update, respectively, in FY 2010. Portsmouth had a revaluation in FY 2009. These updates and revaluations will have an effect on the net value of real and tangible property, as they are partly designed to reflect prevailing market trends. Once a community has undergone an update or revaluation, the assessed value of property at any given time afterward may not reflect the actual market value of the community's tax base.

Levy and Education Share

Property taxes are the single largest source of revenue for Rhode Island communities and play a critical role in financing public education. The levy reflects the total amount of money generated through residential, commercial, motor vehicle, and tangible property taxes. In FY 2009 the total certified levy in each of the communities ranged from a low of $38.5 million in Middletown to a high of $58.9 million in Newport.

Table II-7
Certified Levy and Education Share
FY 2007 - FY 2009

	Certified Levy			Percent to Education		
	FY 2007	FY 2008	FY 2009	FY 2007	FY 2008	FY 2009
Middletown	$35,038,059	$36,797,355	$38,485,603	57.5%	57.6%	56.0%
Newport	54,975,217	56,490,825	58,945,707	42.4%	41.3%	39.3%
Portsmouth	36,425,098	38,442,372	40,361,114	66.6%	66.4%	66.4%
Total	$126,438,373	$131,730,553	$137,792,424	54.4%	52.2%	49.9%
Statewide*	$1,790,142,854	$1,886,900,755	$1,970,327,321	56.1%	56.6%	57.2%

* Represents anticipated levy total; statewide percent to education is based on data as reported by municipalities

SOURCE: Rhode Island Division of Municipal Finance

In 2006 the General Assembly passed the "Property Tax Relief Act of 2006," commonly referred to as S-3050. The legislation caps the amount the property tax levy can grow annually beginning in FY 2008, changes the criteria for exemptions from the cap, limits the amount of money school committees can request from municipal funds, amends the definition of State mandates, and requires the Division of Municipal Finance to conduct a property tax study relating to tax treaties.

Of the three communities, Portsmouth is the only one to have increased its levy to the cap each year (5.5 percent in FY 2008 and 5.0 percent in FY 2009). Middletown has increased its levy at approximately 0.5 percent below the cap for the past two fiscal years. The levy in Newport increased by 2.8 percent between FY 2007 and FY 2008, and by 4.3 percent between FY 2008 and FY 2009. The total levy increase statewide was 5.4 percent in FY 2008 and 4.4 percent in FY 2009.

The total levy goes to support a number of public services in addition to public education, including, but not limited to, police, fire, public employee salaries and public employee benefits. The share of the levy dedicated to education varies from community to community in Rhode Island and reflects local municipal needs, and evolving state aid dedicated to schools and local decisions. Among the Aquidneck Island communities, Portsmouth dedicates the largest part of their levy to education, averaging 66.4 percent over the past three fiscal years. In Middletown, the percent of the levy dedicated to education has declined slightly over the past three fiscal years, from 57.5 percent in FY 2007 to 56.0 percent in FY 2009. Newport has seen education's share of the levy decline approximately three percentage points over the past three fiscal years, from 42.4 percent in FY 2007 to 39.3 percent in FY 2009.

Tax Capacity and Effort

One method to evaluate relative property tax burdens is the "Equity Index" developed by the Division of Municipal Finance, which considers the property tax base and levy of each municipality relative to the State average. The results produce an Index for each municipality.

The Index uses the adjusted weighted equalized assessed value (or EWAV), which includes an adjustment for the Median Family Income of each community and the gross levy reported by each community. The Index calculates the average State property tax rate and uses the rate to generate a hypothetical per capita tax yield per community and then compares it with the actual per capita property tax yield by community. The Index then estimates the "gap" between the actual yield and the potential yield if the state average tax rate were used, based on each community's tax base. The following outlines the differences in relative capacity and effort and the composite index based on these factors.

Table II-8
FY 2007 Tax Capacity and Tax Effort Index

Community	Relative Capacity	Rank	Relative Effort	Rank	Equity Index	Rank
Middletown	135	18	85	21	1.59	19
Newport	161	12	73	29	2.21	11
Portsmouth	192	8	64	34	3.01	7

Capacity/Effort: community < 100 = relative tax base < State average

Index: community <1.00 has high effort and low tax base relative to the State average

SOURCE: Rhode Island Division of Municipal Finance

In FY 2007, the most recent year for which the Division of Municipal Finance has calculated the Index, relative capacity among the three towns ranged from a low of 135 in Middletown to a high of 192 in Portsmouth. In other words, Portsmouth's relative property tax capacity was estimated to be 1.92 times the State average, while Middletown's was estimated to be 1.35 times the State average. Middletown's capacity ranked 18th highest in the State, Newport's capacity ranked 12th highest and Portsmouth's capacity ranked 8th highest.

Tax effort among the three communities ranged from a low of 64 in Portsmouth to a high of 85 in Middletown. Effectively, this means that all three communities need to make less of an effort than the statewide average to generate the same level of local resources from the property tax. Middletown, Newport and Portsmouth ranked 21st, 29th, and 34th highest in the State for tax effort in FY 2007.

The composite equity index is calculated by dividing each community's relative capacity by its relative effort. In general, those communities that have an Equity Index of 1.00 or less are considered to evidence some level of fiscal stress relative to the rest of the State because of their relative fiscal capacity and tax effort. FY 2007 indices range from 1.59 (19th highest) in Middletown to 3.01 in Portsmouth (7th highest). Newport's equity index of 2.21 ranked the community 11th highest in the State.

Enrollment Trends

The following section examines selected enrollment trends for the Aquidneck Island Districts of Middletown, Newport and Portsmouth. Data is primarily from the Rhode Island Department of Education (RIDE). District-provided data was used for the enrollment projections. These data do not include students for whom the district may be financially responsible (e.g. those that attend school out of district), nor does it include private and parochial students for whom the district provides special education services. One should also note that students enrolled at Newport Area Career and Tech Center (NACTC) for whom testing is the responsibility of Newport Public Schools are counted in the enrollment for Rogers High School.

Historic Enrollment FY 2005 – FY 2009

Table II-9 shows that, out of the three Aquidneck Island Districts, total enrollment in FY 2009 was the highest for Portsmouth, followed by Middletown. Newport had the lowest total enrollment. Each of the districts exhibited a consistent declining enrollment trend between the years FY 2005 and FY 2009. The percentage decline in each of the three ranges from 5.0 percent to 19.6 percent. Newport's total enrollment declined from 2,608 to 2,096 students, a decline of 19.6 percent between FY 2005 to FY 2009. Middletown's total enrollment fell from 2,566 to 2,378, a decline of 7.3 percent over five year period considered. Of the three districts, Portsmouth experienced the lowest percentage decline in enrollment between FY 2005 to FY 2009, falling from 3,061 students to 2,908 students over the five year period, representing a percentage decline of 5.0 percent.

Table II-9
Total Enrollment FY 2005 - FY 2009
Aquidneck Island District

District	2005	2006	2007	2008	2009	2005-09 Amount	2005-09 Percent
Middletown	2,566	2,504	2,415	2,365	2,378	13	0.5%
Newport	2,608	2,449	2,282	2,218	2,096	-122	-5.5%
Portsmouth	3,061	3,051	3,034	2,958	2,908	-50	-1.7%
Total	8,235	8,004	7,731	7,541	7,382	-159	-2.1%

SOURCE: Rhode Island Department of Education; RIPEC Calculations

Projected Enrollment FY 2009 - 2014

Enrollment projections for the Aquidneck Island Districts from FY 2009 to FY 2014 continue to show a trend of declining enrollment. Consistent with the past trends in total enrollment, projected enrollment statistics show the highest percentage decline for Newport, followed by Middletown and Portsmouth. According to the projections, Newport is expected to lose approximately 447 students between FY 2009 and FY 2014, a percentage decline of 21.3 percent. The same projections for Middletown show an expected loss of 205 students, a percentage decline of 8.6 percent. Portsmouth is expected to experience a loss of 237 students, a decline of 8.1 percent in total enrollment over the five year period forecasted.

Table II-10
Aquidneck Island Enrollment
FY 2005 - 2014 (projected)

Grade	2005	2009	2005-09 Amount	2005-09 Percent	2009	2014*	2009-14* Amount	2009-14* Percent
Middletown	2,566	2,378	-188	-7.3%	2,378	2,173	-205	-8.6%
Newport	2,608	2,096	-512	-19.6%	2,096	1,649	-447	-21.3%
Portsmouth	3,061	2,908	-153	-5.0%	2,908	2,671	-237	-8.1%

* Projected

SOURCE: RIDE fall enrollment; Whitehall, NESDEC, and Middletown projections; RIPEC calculations

Enrollment by Program

A variety of economic and demographic factors have an impact on student performance and the cost of educating students. The following discusses enrollment in special education, children eligible for free and reduced lunch (FRL), and children requiring language assistance (LEP) programs.

Table II-11
Enrollment by Program
FY 2005 - FY 2009

	Middletown			Newport			Portsmouth		
	2005	2009	Change	2005	2009	Change	2005	2009	Change
Special Education	563	443	-21.3%	708	435	-38.6%	560	516	-7.9%
Limited English Proficiency	37	66	78.4%	87	58	-33.3%	-	3	-
Free/Reduced Lunch	388	529	36.3%	1,210	1,148	-5.1%	186	266	43.0%
Total Enrollment	2,566	2,378	-7.3%	2,608	2,096	-19.6%	3,061	2,908	-5.0%
Weighted Enrollment*	3,329	3,064	-8.0%	3,828	2,988	-21.9%	3,742	3,569	-4.6%

* Weighted enrollment creates a needs adjusted measure by giving special needs students more "weight." These weights, used as multipliers are as follows: Special Education: 2.1; LEP: 1.2; FRL:1.35

SOURCE: Rhode Island Department of Education; School Data Direct/Standard & Poors; RIPEC calculations

In Middletown, there was a 21.3 percent decline in the number of special education students between FY 2005 and FY 2009; however, the number of LEP and FRL students increased by 78.4 percent and 36.3 percent respectively. In comparison, Newport experienced a decline in enrollment for all three programs in the same five year period. The greatest percentage decline was in the number of special education students (38.6 percent), followed by LEP students (33.3 percent) and FRL students (5.1 percent). In Portsmouth, the percentage of special education students fell by 7.9 percent and the district experienced an increase of 43.0 percent in the percentage of FRL students between FY 2005 to 2009.

In all three districts, the share of special education students as a percentage of the total student population declined between FY 2005 and FY 2009. The decline was the most significant in Newport where the share of special education students declined from 27.1 percent in FY 2005 to 20.8 percent in FY 2009. Conversely, all three districts have seen an increase in the share of FRL students. In Middletown, FRL students constituted 15.1 percent of the total student population in FY 2005. By FY 2009, FRL students accounted for 22.2 percent of all students. In Newport, the share of FRL students increased from 46.4 percent to 54.8 percent between FY 2005 and FY 2009, and in Portsmouth the percent of FRL students grew from 6.1 percent to 9.1 percent during this time period.

Weighted enrollment statistics are used create a need-adjusted enrollment count (see Appendix for methodology). Comparisons of weighted enrollment trends for the Aquidneck Island districts are consistent with the trends in total enrollment. Weighted enrollment statistics for the three districts between FY 2005 to FY 2009 show the largest percentage decline in weighted enrollment for Newport (21.9 percent), followed by Middletown (8.0 percent), and the lowest percentage decline for Portsmouth (4.6 percent).

Personnel

Personnel costs represent the largest component of expenditures for school districts due to the human-capital intensive nature of education. In FY 2009, salaries alone accounted for over half of all unrestricted fund (operating) expenditures in all three districts. When benefits are included in this figure, personnel costs accounted for almost 80 percent of all spending in the three districts.

A number of factors account for personnel expenditures, including contractual obligations that have been negotiated between the unions and the district. This section will examine the total number of staff by classification in each district, per pupil spending on personnel, teacher steps and salary, and current and projected student/teacher ratios. All data is district-reported unless noted otherwise.

All personnel information presented in this report uses full-time equivalents (FTEs). An individual who works a full work-week is considered one FTE, while part-time employees represent a fraction of an FTE (e.g. an individual who works 20 hours per week would be considered 0.5 FTE). Total FTEs and salaries are broken out into three groups: certified educators, including teachers and other professional staff such as librarians, and nurses; administration, which includes central office administration and principals; and non-certified staff, which includes, for example, clerks and administrative assistants. For a full breakout of positions by title and classification, please see the Appendix.

Staffing Overview

FTE by Classification

In FY 2009, there were 318.6 FTEs in Middletown, 348.1 FTEs in Newport and 361.7 FTEs in Portsmouth. This represents a student/staff ratio of 7.5 in Middletown, 6.0 in Newport and 8.0 in Portsmouth. The majority of staff in all districts was certified staff (classroom teachers, librarians, nurses, guidance counselors, et al). Certified staff represented between 62.2 and 66.6 percent of total staff. Non-certified and part-time staff accounted for the second largest share of payroll in FY 2009 (between 29.6 percent and 33.2 percent of the total). Administrative positions, e.g. superintendents, principals, and directors represented less than 5 percent of total staff. It should be noted that these figures include positions paid out of all funds (e.g. Title I or IDEA).

Table II-12
Total FTE by Classification
FY 2009

	Middletown	Newport	Portsmouth
Certified	212.3	216.6	240.9
Administration	12.0	16.0	13.0
Non-Certified and PT	94.3	115.5	107.8
Total	318.6	348.1	361.7

SOURCE: District-reported data, RIPEC calculations

Student/Teacher Ratios

The following only examines individual classroom or core-subject teachers and does not include art, music or physical education teachers, reading coaches, librarians, guidance counselors,

Table II-13
Student/Teacher Ratio by Educational Level
2008-09

	Middletown	Newport	Portsmouth	Total
Teachers				
Kindergarten*	7.0	8.0	4.0	19.0
Elementary**	43.5	42.0	45.0	130.5
Middle	43.6	27.0	34.0	104.6
Secondary***	41.8	42.6	68.6	153.0
Special Education	38.1	27.0	36.5	101.6
*Total****	*174.6*	*149.6*	*188.1*	*512.3*
Students				
Kindergarten*	179	156	79	414
Elementary**	759	806	969	2,534
Middle	751	505	668	1,924
Secondary***	657	604	1,068	2,329
Special Education	443	435	516	1,394
*Total****	*2,346*	*2,071*	*2,784*	*7,201*
Student/Teacher Ratio				
Kindergarten*	26	20	20	22
Elementary**	17	19	22	19
Middle	17	19	20	18
Secondary***	16	14	16	15
Special Education	12	16	14	14
*Total****	*13*	*14*	*15*	*14*

* Pre-K enrollment is not included; Kindergarten students count as .5 FTE in Portsmouth

** Middletown Elementary is 1-4

*** Includes Newport Career and Tech Enrollment/Teachers

**** Total includes all programs (Special Education, ESL)

SOURCE: District-provided data for teacher counts; RIDE October 1, 2008 enrollment; RIPEC calculations

nurses, and other certified staff. Because vocational enrollment is counted as a part of total enrollment at Rogers High School, the vocational teachers have been included in the total for secondary teachers in Newport. Pre-kindergarten students and teachers have been excluded from this analysis, as Portsmouth is the only district that operates a pre-K program that is distinct from their special education programs.

A comparison of student/teacher ratios for school year 2008-2009 indicates Portsmouth had the highest overall student to teacher ratio of 15:1, followed by Newport and Middletown, which had student/teacher ratios of 14:1 and 13:1 respectively. Student/teacher ratios varied according to grade level. In general, the average ratios were the highest at kindergarten, followed by elementary school ratios, middle school ratios, and high school ratios.

At the kindergarten level, Middletown had the highest number of students per teacher, with a ratio of 26:1. However, Middletown has some teachers that teach combined grade level classes; these teachers are reflected in the elementary school teacher numbers and not counted on the kindergarten side. As such, Middletown's student/teacher ratio as the kindergarten level is approximately 20:1. Both Newport and Portsmouth had a kindergarten student/teacher ratio of 20:1. Portsmouth had the highest student/teacher ratios for elementary and middle school when compared to Middletown and Newport. For secondary education, Newport has the lowest student/teacher ratio when compared to the other two Aquidneck Island districts. Special education ratios ranged from a 12:1 student/teacher ratio in Middletown to a 16:1 ratio in Newport. It should be noted that each district has their own requirements regarding the level of staffing for special education, which may have an effect on the ratios shown in Table II-13.

Personnel Expenditures

Per Pupil Expenditures

Total FY 2009 per pupil expenditures on salaries and benefits ranged from $9,242 in Portsmouth to $11,865 in Newport. In each district, certified salaries accounted for the largest share of expenditures. Per pupil certified staff salaries in Middletown were the highest at $6,083 per pupil, followed by certified staff salaries in Newport ($5,985 per pupil). Portsmouth had the lowest certified staff salaries of $5,501. Administrative staff salaries per pupil ranged from $504 in Portsmouth to $583 in Newport. Non-certified staff salaries, as measured on a per pupil basis, were $908 per pupil in Portsmouth, $1,280 per pupil in Middletown, and $2,117 per pupil in Newport.

Table II-14
Per Pupil Personnel Expenditures
FY 2009

	Middletown	Newport	Portsmouth
Salaries			
Certified	$6,083	$5,985	$5,501
Administration	558	583	504
Non-Certified and PT	1,280	2,117	908
Benefits	$2,730	$3,180	$2,329
Total	$10,651	$11,865	$9,242

NOTE: Personnel expenditures represent unrestricted expenditures only; Newport's OPEB liability is excluded to make the districts comparable

SOURCE: District-reported data, RIPEC calculations

Benefits, which include health and dental insurance, FICA/Medicare taxes, life insurance, worker's compensation, unemployment insurance, and retirement costs, accounted for roughly 25 percent of total personnel expenditures in the three districts. A summary of the various provisions of each district's benefits is provided in Section IV. Benefit costs totaled $2,329 per pupil in Portsmouth, $2,730 per pupil in Middletown, and $3,180 per pupil in Newport.

While Newport has the highest per pupil personnel costs of the three districts, these expenditures accounted for a greater share of Middletown and Portsmouth's budgets when measured as a percent of total per pupil expenditures (approximately 77 percent in both districts, compared to approximately 70 in Newport). It should be noted, however, that these figures do not include Newport's Other Post-Employment Benefits (OPEB, primarily retiree health care) liability. If the district's OPEB costs are included in the analysis, Newport's total per pupil personnel expenditures increase to $13,539, or 78.9 percent of the district's total budget.

Teacher Steps

Total expenditures on salaries are a function of base pay raises and the number of teachers moving through the steps, combined with the position at each step (e.g., whether the teacher holds a Master's degree, Certificate of Advanced Graduate Study (CAGS) etc.). Teachers with less than ten years of experience receive two types of pay raises: their annual pay increase based on collective bargaining agreements and their movement through a series of steps where increases are tied to years of experience. Teachers with more than ten years of experience may receive a longevity bonus that is tied to the number of years they have worked.

Table II-15
Percent of Certified Staff by Step
FY 2009

	Step 1	Step 5	Step 10
Middletown	1.2%	0.5%	79.9%
Newport	3.2%	3.2%	63.6%
Portsmouth	3.4%	6.9%	54.8%
Total	2.7%	3.7%	65.5%

SOURCE: District-reported data, RIPEC calculations

The majority of teachers in all three districts were at step 10 or higher in FY 2009. Middletown had the highest concentration of teachers at step 10, with 79.9 percent of all certified employees at the highest pay grade. This explains, in part, why per pupil expenditures for certified staff in Middletown are the highest of the three districts. Conversely, Portsmouth, which had the lowest per pupil expenditures for certified staff had the fewest certified employees at step 10 with 54.8 percent of their certified workforce at the highest step. The percent of teachers at step 10 in Newport was approximately the same as the average across all three districts (63.6 percent v. 65.5 percent).

Another function of total expenditures for certified staff is the salary each teacher receives at each step, coupled with any increases they receive for higher education or longevity. In FY 2009, salaries for certified staff at Step 1 ranged from a low of $38,818 in Newport to a high of $39,497 in Portsmouth. Middletown had the highest salaries at Step 5 and Step 10 ($50,727 and $71,634, respectively). Newport provides the largest salary increase for teachers with a Master's degree ($3,882). As noted above, this is the pay rate applied to the base salary. For example, a teacher in Newport at Step 5 with a Master's degree would receive an annual salary of $53,093.

Table II-16
Teacher Salary Summary
FY 2009

	Bachelor's Step Scale			
	Step 1	Step 5	Step 10	Master's*
Middletown	$39,180	$50,727	$71,634	$2,827
Newport	38,818	49,211	69,274	3,882
Portsmouth	39,497	49,565	71,077	3,050

* Reflects extra amount paid to a teacher with a Master's degree in addition their base salary; longevity amounts not reflected.

SOURCE: District-reported data

Budget Analysis

The following section provides an overview of each district's revenues and expenditures, looking at historic trends, and the current budget picture. The data is from district budgets and the Rhode Island Department of Education (RIDE).

Revenues

Unrestricted Funds

This portion of the analysis reviews unrestricted school revenues, including local, state, and federal funding. Local revenues include the appropriation the school districts receive from the city or town, as well as other miscellaneous revenues including tuitions paid by other districts for Newport Career and Technical Center and for Little Compton students who attend Portsmouth High School. State revenues include direct state aid but do not include the State's share of the teacher retirement contribution, the State's housing aid program or any funds designated for a specific purpose (e.g. literacy or all-day kindergarten aid). Federal funds include Federal Impact Aid, Medicaid funds, and other miscellaneous funding. As with State funding, restricted federal aid, such as Title 1 or Individuals with Disabilities Education Aid (IDEA) aid, are not included.

Table II-17
FY 2007 - FY 2009 Source of Funding (Unrestricted Funds)

	FY 2007			FY 2008			FY 2009		
	Local	State	Federal	Local	State	Federal	Local	State	Federal
Middletown	63.5%	28.5%	8.0%	67.0%	28.4%	4.6%	67.4%	28.1%	4.5%
Newport	69.4%	27.2%	3.4%	69.2%	27.2%	3.7%	70.3%	27.0%	2.8%
Portsmouth	79.2%	18.3%	2.5%	79.9%	17.8%	2.3%	81.0%	17.2%	1.8%

NOTE: Only those funds that are classified as unrestricted at the State or Federal level for State/Federal education authorities are included in these calculations regardless of whether a community includes them in their General Fund Operating budget

Source: RI Dept of Education (Federal Funds; some State funding), School Department Budgets, RIPEC Calculations

Local aid constitutes the primary unrestricted revenue source for all three districts, ranging from 67.4 percent of all FY 2009 revenues in Middletown to 81.0 percent of all revenues in Portsmouth. In FY 2009, 70.3 percent of Newport's school budget came from local sources. State aid represents the second largest component of unrestricted revenues, comprising 28.1 percent of the Middletown district budget, 27.0 percent of Newport's budget and 17.2 percent of the education budget in Portsmouth. Federal aid, which is generally a small portion of school budgets, ranged from 1.8 percent of the budget in Portsmouth to 4.5 percent in Middletown in FY 2009.

The share of education aid supported by local sources has also increased in all three districts since FY 2007 as other revenue sources have declined. This change was the most noticeable in

Middletown, where the share of education supported by local sources increased from 63.5 percent in FY 2007 to 67.4 percent in FY 2009. During this time period, the Federal share of Middletown's education budget declined by almost half, largely due to a significant reduction in Federal Impact Aid. However, a smaller share of Middletown's unrestricted funds budget continues to be supported by local sources when compared to the other two districts.

Table II-18
FY 2007 - FY 2009 Per Pupil Revenues by Source
Unrestricted Funding

	FY 2007				FY 2009				Change			
	Local	State	Federal	Total	Local	State	Federal	Total	Local	State	Federal	Total
Middletown	$8,473	$3,803	$1,060	$13,336	$9,118	$3,862	$622	$13,744	$645	$59	-$438	$408
Newport	10,648	4,173	520	15,340	12,051	4,628	474	17,153	1,403	455	-46	1,812
Portsmouth	8,402	1,944	260	10,606	9,646	2,045	210	11,902	1,244	101	-50	1,296

State funds exclude housing aid and retirement and all restricted funding; local aid includes the district share of property taxes, reappropriations, capital revenues, and supplemental program revenue; Middletown has local restricted revenue that was take

Source: RI Dept of Education, School Department Budgets, RIPEC Calculations

On a per pupil basis, Newport has the highest revenue collections of the three districts, in both years, for all categories except for federal aid. The district also experienced the largest absolute increase in revenues between FY 2007 and FY 2009 ($1,812), although Portsmouth saw the largest percent increase (12.2 percent). Consistent with Table II-18, the per pupil local share grew faster than any other category of aid, while federal aid declined. Per pupil state aid increased in all three communities, a function of declining enrollments, rather than an actual increase in state aid, which has been level-funded since FY 2007.

All Funds

Restricted aid includes those funds available to a district that are restricted to a specific demographic group (such as Title 1) or to a specific purpose (such as technology funds). The following analysis includes these funds in addition to the unrestricted funding discussed above. One should note that a substantial portion of these funds are driven by specific demographic characteristics and student need and are dedicated to providing educational support to those students. As such, weighted per pupil revenues, which provide a needs-based adjustment, are also included.

Table II-19
FY 2007 - FY 2009 Source of Funding (All Funds)

	FY 2007			FY 2008			FY 2009		
	Local	State	Federal	Local	State	Federal	Local	State	Federal
Middletown	58.8%	30.1%	11.1%	62.0%	30.0%	8.0%	63.0%	29.4%	7.6%
Newport	61.0%	29.8%	9.2%	60.7%	29.7%	9.6%	62.2%	29.7%	8.1%
Portsmouth	75.5%	19.7%	4.8%	76.3%	19.1%	4.6%	77.5%	18.5%	3.9%

State funds exclude housing aid; local aid includes reappropriations, capital revenues (Middletown), and supplemental program revenue (Middletown)

Source: RI Dept of Education (Federal Funds; some State funding), School Department Budgets, RIPEC Calculations

As with the districts' unrestricted-funds budgets, local aid constitutes the largest share of total education aid for all three districts in all years of the analysis. The share of education supported by local aid has also increased in all three districts as with the unrestricted budgets. However, in FY 2009, Newport relied less on local revenues to support their district budget than Middletown and Portsmouth (62.2 percent, compared to 63.0 percent in Middletown and 77.5 percent in Portsmouth). This is related to their comparatively larger share of federal aid, primarily related to the amount of Title 1 funding the district receives.

Table II-20
FY 2007 - FY 2009 Per Pupil Revenues by Source
All Funds

	FY 2007				FY 2009				Change			
	Local	State	Federal	Total	Local	State	Federal	Total	Local	State	Federal	Total
Middletown	$8,525	$4,365	$1,617	$14,508	$9,505	$4,431	$1,141	$15,077	$980	$66	-$476	$570
Newport	10,648	5,199	1,600	17,792	12,051	5,745	1,575	19,371	1,403	546	-25	1,579
Portsmouth	8,402	2,192	540	11,134	9,646	2,304	489	12,439	1,244	112	-51	1,305

State funds exclude housing aid and retirement; local aid includes reappropriations, capital revenues, and supplemental program revenue
Source: RI Dept of Education, School Department Budgets, RIPEC Calculations

Fiscal year 2009 all-funds revenues ranged from a low of $12,439 per pupil in Portsmouth, to a high of $19,731 per pupil in Newport. Per pupil all-funds revenues in Middletown totaled $15,077 in FY 2009. Between FY 2007 and FY 2009, all-funds per pupil revenues increased by 11.7 percent in Portsmouth, by 8.9 percent in Newport and by 3.9 percent in Middletown.

Students with special needs, e.g. special education or free/reduced lunch, generally cost more to educate. Because districts with different student demographics, and thus different needs, will necessarily spend different amounts, a weighting methodology is often used to effectively adjust education revenues and expenditures. Table II-21 shows weighted per pupil revenues using a weighting methodology outlined in the Appendix.

Table II-21
FY 2007 - FY 2009 Weighted Per Pupil Revenues by Source
All Funds

	FY 2007				FY 2009				Change			
	Local	State	Federal	Total	Local	State	Federal	Total	Local	State	Federal	Total
Middletown	$6,542	$3,350	$1,241	$11,134	$7,377	$3,439	$886	$11,702	$835	$89	-$356	$568
Newport	7,395	3,610	1,111	12,356	8,453	4,030	1,105	13,588	1,058	420	-7	1,232
Portsmouth	6,959	1,815	447	9,222	7,860	1,877	398	10,135	901	62	-49	913

State funds exclude housing aid and retirement; local aid includes reappropriations, capital revenues, and supplemental program revenue
Source: RI Dept of Education, School Department Budgets, RIPEC Calculations

Based on the weighted enrollment (shown in the student enrollment section), FY 2009 per pupil all-funds revenues were $11,702 in Middletown, $13,588 in Newport and $10,135 in Portsmouth. Total per pupil weighted revenues increased the fastest in Newport and Portsmouth (10.0 percent and 9.9 percent, respectively) compared to a 5.1 percent increase in Middletown.

Expenditures

Unrestricted

The following examines district-provided data on their unrestricted expenditures for fiscal years 2007 – 2009. Expenditures are organized into six broad categories: salaries, benefits, purchased services, supplies, capital, and other expenditures. One should note that Middletown and Newport have included restricted funds in their operating budgets, which have been removed in order to provide a comparable base. Please see the Appendix for a description of the methodology.

Table II-22
Operating Budgets ($ thousands)
FY 2007-FY 2009

	Middletown			Newport			Portsmouth		
Category	FY 2007	FY 2008	FY 2009	FY 2007*	FY 2008	FY 2009	FY 2007	FY 2008	FY 2009
Salaries	$18,641	$18,570	$18,837	$19,141	$18,371	$18,204	$18,261	$19,073	$20,104
Benefits	6,043	6,256	6,492	9,328	9,215	10,173	6,922	6,771	7,370
Purchased Services	6,696	6,862	6,125	5,500	4,503	5,132	5,219	5,607	5,577
Supplies	1,034	839	933	1,170	1,497	1,761	796	900	1,025
Capital	106	106	106	0	137	141	1	18	116
Other	26	36	36	213	55	542	980	1,084	588
Total	$32,546	$32,669	$32,529	$35,352	$33,778	$35,953	$32,179	$33,452	$34,779

* From Newport 06-07 budget REQUEST

NOTE: Middletown and Newport expenditures have been adjusted to reflect the exclusion of restricted funds

SOURCE: District-provided operating budgets

In all three districts, salaries and benefits accounted for the largest portion of total expenditures in both years. In FY 2009, these two categories accounted for approximately 79 percent of total district spending in all three districts. For Middletown and Portsmouth, the share of salaries and benefits increased between FY 2007 and FY 2009, while salaries and benefits have constituted a smaller share of the budget in Newport (80.5 percent in FY 2007v. 78.3 percent in FY 2009).

Between FY 2007 and FY 2009, total expenditures in Middletown increased 0.7 percent, from $32.5 million to $32.8 million. Spending on purchased services and supplies declined by 8.5 percent and 9.7 percent, respectively, during this time period. Over the past three fiscal years, expenditures for salaries, benefits and "other" (primarily membership dues) increased by 1.1 percent, 11.3 percent, and 38.5 percent, respectively.

Newport's total expenditures increased 1.7 percent between FY 2007 and FY 2009, from $35.3 million to $36.0 million. As with Middletown, the largest category of expenditure growth – excluding capital – was for "other," Supplies increased the second fastest, growing by 50.6

percent since FY 2007. Salaries and purchased services expenditures declined by 4.9 percent and 6.7 percent, respectively. Benefits increased by 9.1 percent over the three-year time period.

Portsmouth's school budget has grown from $32.2 million in FY 2007 to $34.8 million in FY 2009, an increase of 8.1 percent. Expenditures in every category increased with the exception of "other." Like Newport, Portsmouth saw an increase in expenditures for supplies, which grew by 28.8 percent. Salaries were the second-largest category of expenditure growth, increasing by 10.1 percent over the past three years, followed by purchased services (6.9 percent) and benefits (6.5 percent).

Table II-23
Per Pupil Operating Expenditures
FY 2007 - FY 2009

	FY 2007	FY 2009	FY 2007 - 09 Change	%
Middletown	$13,477	$13,679	$203	1.5%
Newport	15,492	17,153	1,661	10.7%
Portsmouth	10,606	11,960	1,354	12.8%

SOURCE: District-reported data, RIDE, RIPEC calculations

Of the three districts, Portsmouth spends the least per student, with per pupil expenditures of $11,960 in FY 2009, compared $13,679 in Middletown and $17,153 in Newport. However, expenditures in Portsmouth have also increased faster than in the other two districts, growing by 12.8 percent since FY 2007. This was approximately 2 percentage points faster than the rate of growth in Newport, where per pupil expenditures increased by 10.7 percent, and more than eight times faster than the rate of growth in Middletown, which increased at a rate of 1.5 percent. As noted above, Newport has the highest per pupil expenditures of the three districts. This is related, in part, to the district's low enrollment, but also to the fact that Newport operates NACTC, which increases the district's per pupil cost. At the same time, the district receives revenues from districts that send their students to the Center, helping to offset these costs.

All Funds

The following discussion of expenditures by school district is based on data from In$ite, the State's financial reporting system, and does not include the State's contribution to the teacher retirement fund. In addition, the following discussion highlights expenditures through FY 2007, the most recent complete data available to date. Note that these numbers will differ from those above because of the inclusion of restricted funds (e.g., IDEA and Title I).

Table II-24
Expenditures by Function as a Percent of the Total Budget (All Funds, In$ite)
FY 2003 - FY 2007

	Middletown			Newport			Portsmouth		
	FY 2003	FY 2007	Change	FY 2003	FY 2007	Change	FY 2003	FY 2007	Change
Instruction	60.1%	55.4%	-4.7%	53.6%	50.2%	-3.4%	56.5%	53.1%	-3.4%
Instructional Support	12.9%	13.8%	0.9%	15.2%	13.8%	-1.4%	12.5%	14.2%	1.7%
Operations	15.9%	16.7%	0.8%	15.0%	15.1%	0.0%	15.7%	15.4%	-0.3%
Other Commitments	6.6%	9.2%	2.7%	10.9%	14.6%	3.7%	9.2%	10.7%	1.4%
Leadership	4.6%	4.9%	0.3%	5.2%	6.3%	1.1%	6.2%	6.7%	0.6%

SOURCE: Rhode Island Department of Education; RIPEC Calculations

In$ite categorizes expenditures into five broad categories: Instruction, Instructional Support, Operations, Other Commitments, and Leadership. Each of these categories includes sub-functions and detail functions which are outlined in detail at: http://www.ride.ri.gov/Finance/ride_insite/Default.htm

Expenditures on instruction, which includes face-to-face teaching expenses (i.e. salaries and benefits), and expenditures for classroom materials constitute the majority of the expenditures for each district, ranging from 55.4 percent in Middletown to 50.2 percent in Newport. However, expenditures in this category, as measured as a share of the districts' budgets, declined between FY 2003 and FY 2007.

The second largest category of spending for all the districts was for operations, a category that includes transportation, food services, facilities, and business services. These expenditures increased their share of the budget slightly in Middletown, remained relatively the same in Newport, and decreased in Portsmouth.

Instructional support, e.g. counseling, health services, professional development and program development, accounted for 13.8 percent of both Middletown's and Newport's budgets in FY 2009 and 14.2 percent of total expenditures in Portsmouth. Since FY 2003, this category increased its share of the total budget by 0.9 percent in Middletown and by 1.7 percent in Portsmouth. Expenditures for instructional support have decreased by 1.4 percent in Newport during this time.

For both Middletown and Newport the "other commitments" category is the fastest growing category of expenditures out of the five. This category includes, but is not limited to, expenditures on debt and capital projects, payments for out-of-district students, legal obligations, and payments to retired employees. In Middletown, these expenditures have increased their share of the budget by 2.7 percent since FY 2003, while in Newport these expenditures increased their share by 3.7 percent. During this time period spending for "other commitments" increased by 1.4 percent in Portsmouth.

Expenditures for leadership (school, programs, operations, and district management), the final category, account for the smallest portion of all three districts' budgets, ranging from 4.9 percent of Middletown's FY 2007 budget to 6.7 percent of the budget in Portsmouth.

Table II-25
Per Pupil Expenditures by Program (All Funds, In$ite)
FY 2003 - FY 2007

	Middletown			Newport			Portsmouth		
	FY 2003	FY 2007	Change	FY 2003	FY 2007	Change	FY 2003	FY 2007	Change
Special Education	$9,043	$13,990	54.7%	$10,260	$15,339	49.5%	$9,169	$15,254	66.4%
Limited English Proficiency	2,428	3,674	51.3%	1,946	4,488	130.7%	2,695	0	-100%
General Education	8,888	11,568	30.1%	9,466	12,636	33.5%	7,355	8,598	16.9%
Total	$10,948	$14,839	35.5%	$13,476	$17,851	32.5%	$9,092	$11,254	23.8%

SOURCE: Rhode Island Department of Education; RIPEC Calculations

Per pupil expenditures in Middletown increased by 35.5 percent, from $10,948 per pupil in FY 2003 to $14,839 per pupil in FY 2007. During this time, per pupil expenditures for special education have grown 54.7 percent, to $13,990 per special education student. Expenditures for limited English proficiency (LEP) students grew by 51.3 percent, to $3,674 per LEP student over this time period.

In Newport, per pupil expenditures grew from $13,476 in FY2003 to $17,851 in FY 2007, representing a rate of growth of 32.5 percent. Newport's per pupil expenditures for special education students increased by 49.5 percent, from $10,206 per special education pupil in FY 2003 to $15,339 per pupil in FY 2007. The district's expenditures for LEP students increased 130.7 percent, to $4,488 per pupil.

Since FY 2003, per pupil expenditures in Portsmouth have increased 23.8 percent, to $11,254 per pupil in FY 2007. Of the three districts, Portsmouth saw the largest increase in per pupil expenditures for special education, which grew by 66.4 percent, to $15,254 during this time period. At the same time, Portsmouth did not dedicate any funds to LEP students, as it did not have any enrolled in FY 2007.

Total per pupil expenditures were also examined on a weighted basis, with students with special needs given a higher "weight" to account for the differential cost of providing services for these students. On a weighted basis, Middletown's per pupil expenditures increased from $8,487 in FY 2003 to $11,388 in FY 2007, representing an increase of 34.2 percent. Weighted per pupil expenditures in Newport grew by 34.8 percent, from $9,199 in FY 2003 to $12,397 in FY 2007. In Portsmouth, expenditures, as measured on a weighted per pupil basis, increased 24.6 percent, from $7,483 to $9,322 per pupil.

Table II-26
Per Pupil All Funds Weighted Expenditures
FY 2003 - FY 2007

	FY 2003	FY 2007	FY 2003-07 Change	FY 2003-07 %
Middletown	$8,487	$11,388	$2,901	34.2%
Newport	9,199	12,397	3,198	34.8%
Portsmouth	7,483	9,322	1,839	24.6%

SOURCE: RIDE In$ite data, RIDE enrollments, RIPEC calculations

Forecast

The following section is a five-year financial projection intended to provide school and city policymakers with a tool to identify issues that may arise in the near future. A forecast is designed to provide a baseline fiscal outlook for taxpayers in the three communities. While a forecast is a useful benchmark to assess various policy options, data should be interpreted with caution, and inherent risks must be considered, e.g., the economic outlook, external actions (State tax policy, non-local aid distributions and school funding decisions), and city and school district policies (contract negotiations and debt management). The following forecast uses a number of key variables to develop a more comprehensive picture of the revenue and expenditure structure of the three Aquidneck Island school districts.

Revenues

Assumptions and Methodology
A range of three scenarios of revenue growth were forecast for each community, projecting the estimated baseline scenario, "best case," and "worst case" for each. These forecasts are based on the districts' operating budgets (unrestricted revenues) only and do not take into account restricted aid.

Local Revenues: primarily funds from the local property tax levy, but also include additional sources of aid, such as the tuition received by Portsmouth for Little Compton students who attend Portsmouth High School, reappropriations, and interscholastic receipts.

- Total levy to increase by maximum allowed under S3050 (2010: 4.75 percent, 2011: 4.5 percent, 2012: 4.25 percent, 2013 on: 4.0 percent)
- Three models for the percent of the levy allocated to schools:
    - Will remain the same as FY 2009 allocation (baseline)
    - Will increase by 1.0 percent each year
    - Will decrease by 1.0 percent each year
- Other local aid will increase by 0.5 percent consistent with past RIPEC studies.

State Revenues: include general aid, vocational equity and language funds, and the group homes reimbursement. As noted earlier, these funds do not include housing aid, the State contribution to teacher retirement, or any restricted funding. None of the changes made to State aid by the General Assembly in the FY 2009 Final Revised budget are included in the forecast.

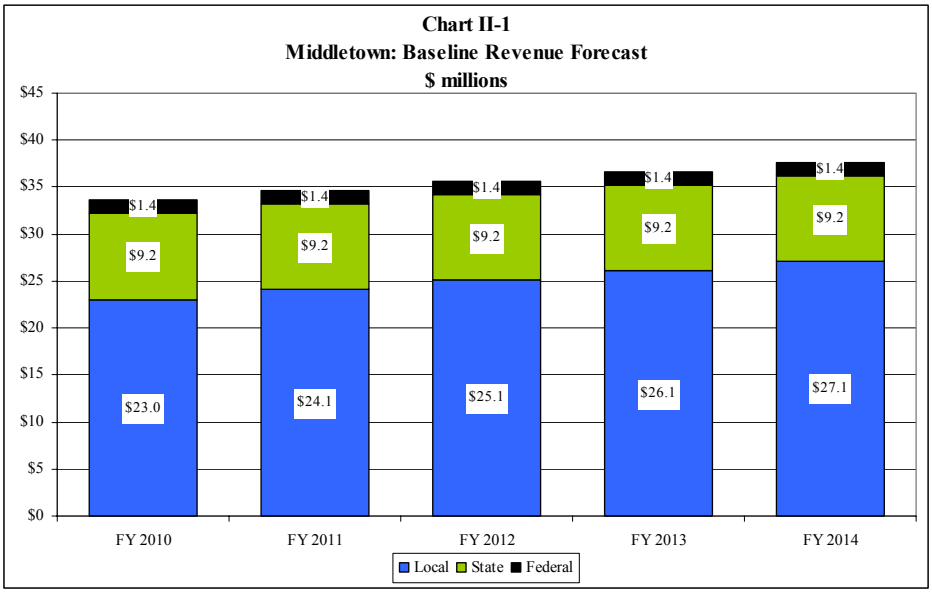
- Three scenarios:
    - Level funding at FY 2009 levels (baseline)
    - Increase of 1.0 percent each year
    - Decrease of 1.0 percent each year

Federal Revenues: are comprised of Federal Impact Aid and Medicaid funds. In Newport, a small amount is included for JROTC. These funds exclude all federal restricted funding including Title I and IDEA part B funds. One should note that funding from the American Recovery and Reinvestment Act (ARRA) is not included in the forecast.

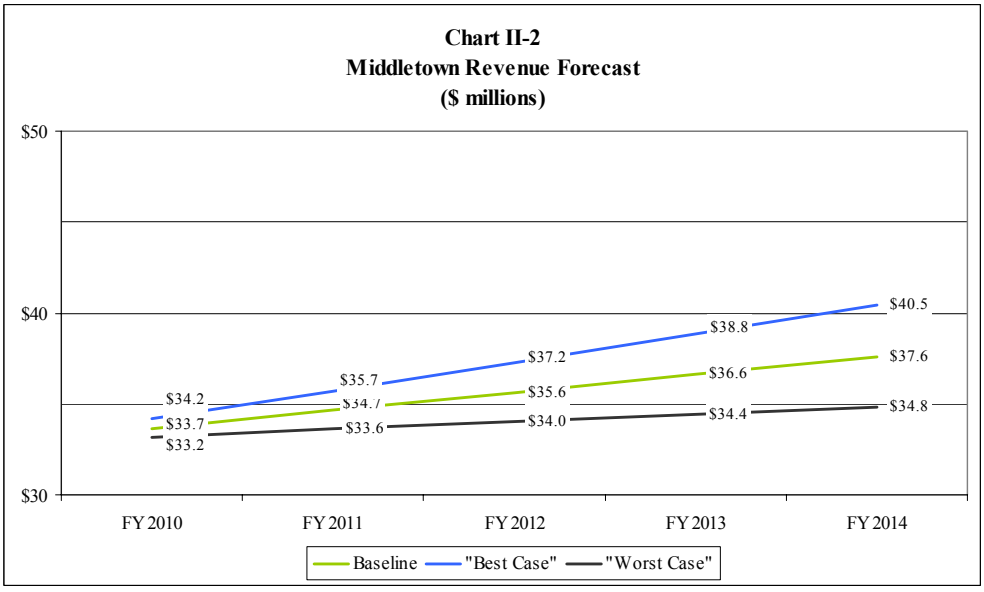
- The per pupil allocation per year will be level funded; per pupil amounts will be determined using district-provided enrollment forecasts.

Middletown Forecast – Revenues

Revenues for Middletown are projected to increase from $33.7 million in FY 2010 to $37.6 million in FY 2014, an average annual increase of 2.8 percent. The single largest source of revenue is property taxes. If Middletown increases its property tax revenues by the amount the cap allows, property taxes are projected to account for 72.0 percent of all revenues in FY 2014, compared to 68.5 percent of FY 2010 revenues.

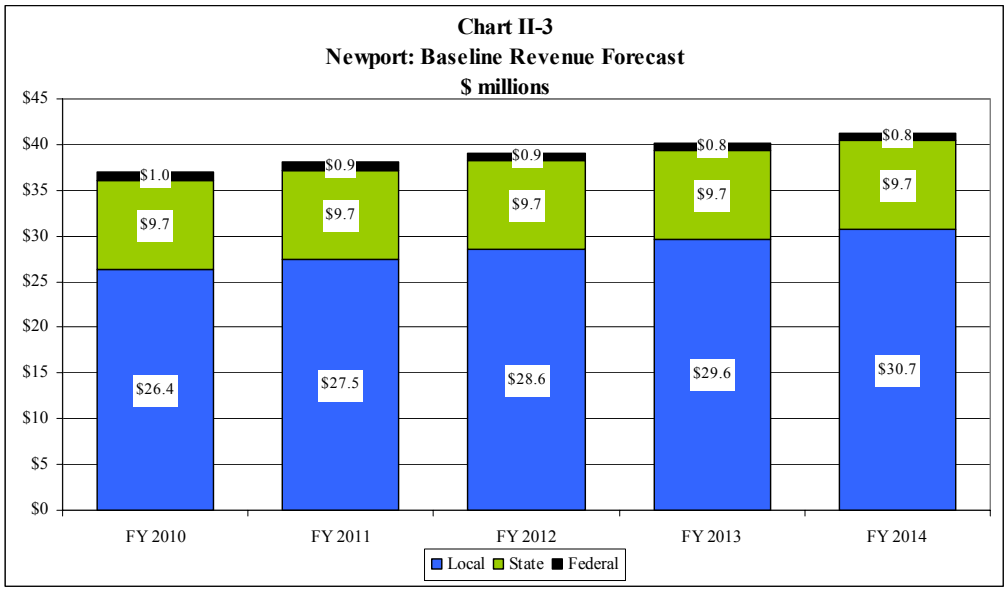


The revenue projection band for Middletown shows the best case scenario increase above the base (blue line). In this scenario, revenues would increase from $34.2 million in FY 2010 to $40.5 million in FY 2014. If revenues were to grow at the rate estimated in the lowest scenario (black line), they would increase from $33.2 million in FY 2010 to $34.8 million in FY 2014.

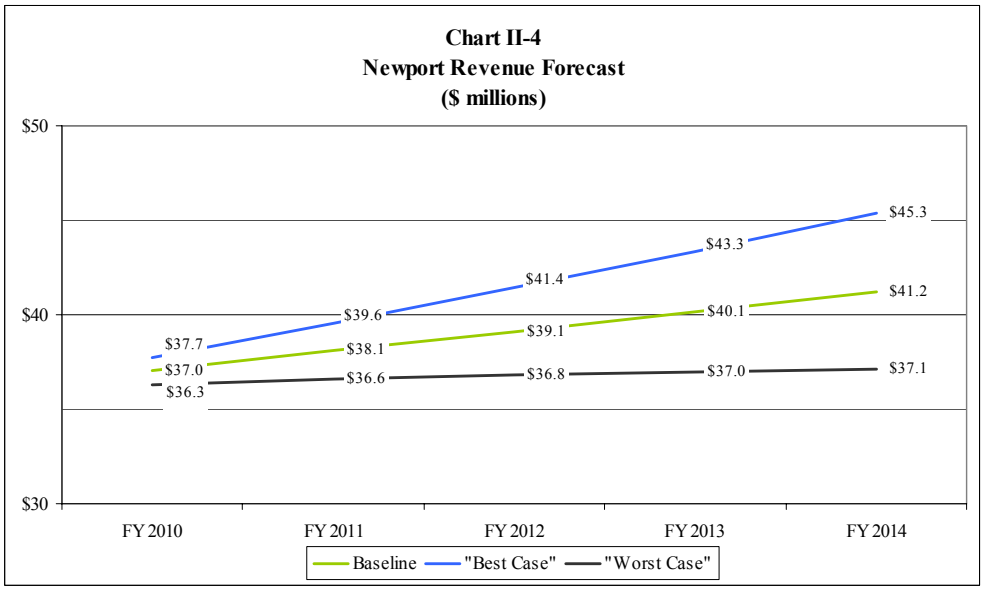


Newport Forecast – Revenues

Under the baseline forecast, revenues in Newport are projected to increase from $37.0 million in FY 2010 to $41.2 million in FY 2014, which translates to an average annual rate of growth of 2.7 percent. If the town were to increase property taxes to the maximum cap, property taxes would account for 74.6 percent of all revenues in FY 2014, compared to 71.2 percent of total revenues in FY 2010

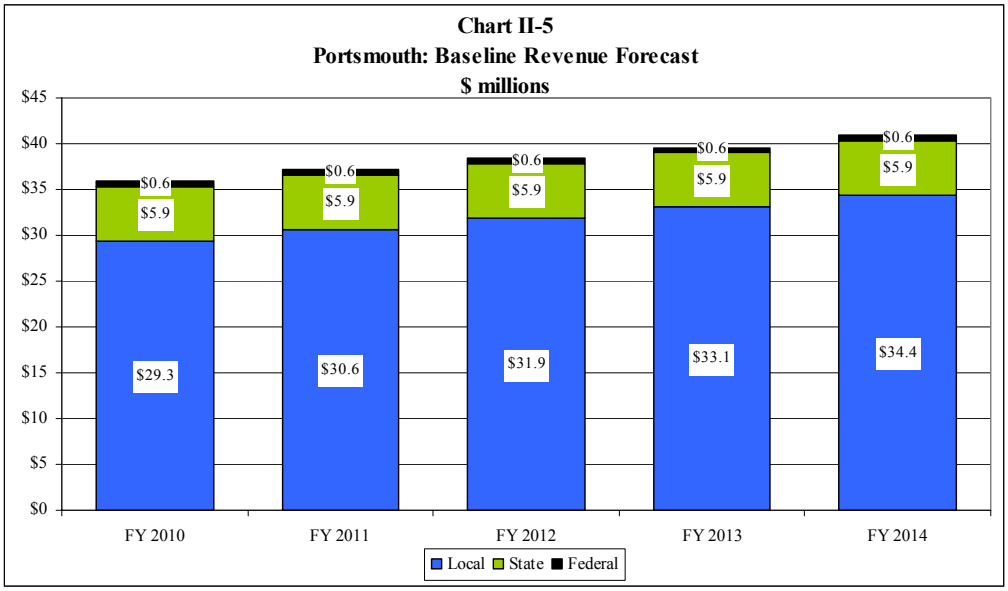


Forecasted Newport revenues, using the best case scenario, are projected to increase from $37.7 million in FY 2010 to $45.3 million in FY 2014 (blue line). Under the projected worst case scenario (black line), revenues are projected to increase from $36.3 million in FY 2010 to $37.1 million in FY 2014.

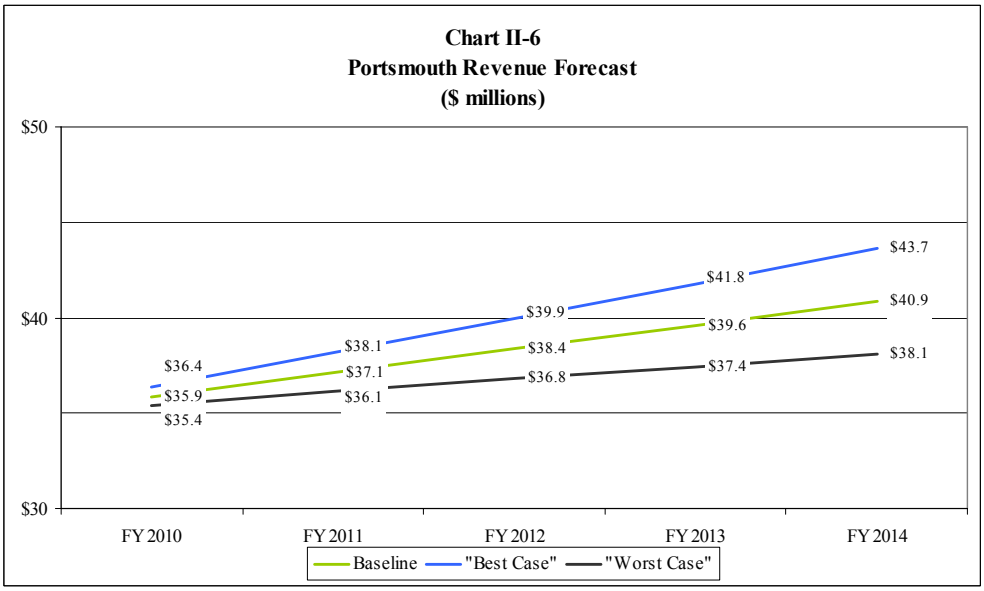


Portsmouth Forecast – Revenues

The baseline forecast for Portsmouth shows revenues increasing from $35.9 million in FY 2010 to $40.9 million in FY 2014. This represents an average annual rate of growth of 3.3 percent. The share of total revenues supported by property taxes in Portsmouth is expected to grow from 81.8 percent in FY 2010 to 84.1 percent in FY 2014.



Portsmouth's projected revenue band shows an increase from $36.4 million in FY 2010 to $43.7 million in FY 2014 under the best case (blue line). The worst case scenario shows revenues growing from a projected $35.4 million in FY 2010 to an estimated total of $38.1 million in FY 2014.



FY 2009 Final Revised Budget Impact, ARRA Funding and FY 2010 Proposed Aid

The revenue forecasts do not reflect a number of changes to education aid that have been made as a result of the current fiscal downturn. These changes, and their potential impact on education funding, are discussed below. It should be noted that state aid, as discussed here, encompasses all funds, including restricted funds that are thus excluded from the forecast.

The FY 2009 Final Revised budget, as passed by the General Assembly, eliminated funding for Professional Development, as well as the undisbursed portion of the "Permanent Education Fund." In addition, adjustments were made to reflect changes in the number of group home beds for which communities receive a reimbursement. The budget also includes a reduction in state aid equal to the amount of assumed pension savings. Although the FY 2009 Final Revised budget did not include any actual changes to the pension system, the budget includes legislation that would authorize the diversion of scheduled pension contributions to a separate fund, rather than to the pension fund. If the State is able to enact pension reform that produces savings, the necessary contribution to the retirement fund will be made with the balance reverting to the State. The State would also restore funding to districts in the amount of State aid that was withheld from districts. One should note that this analysis is current as of June, and was completed prior to the adoption of the FY 2010 budget.

Rhode Island's share of the American Recovery and Reinvestment Act (ARRA) included approximately $135 million in funds for public higher and elementary and secondary education for fiscal years 2009 – 2011. These funds are intended to help prevent cuts to public education as the economy recovers and are to be distributed in accordance with the State's current education funding method. The FY 2009 Final Revised budget reduced state education aid by an amount equal to the FY 2009 ARRA distribution.

The net effect of these changes reduces state education aid to all three communities. Middletown's reduction of $890,015 was the largest of the three communities, followed by Newport, which saw a reduction of $877,401. Portsmouth's state aid was reduced by $843,029. On a percentage basis, however, Portsmouth's 12.6 percent reduction in state aid was the largest of the three communities. Middletown's FY 2009 aid was reduced by 8.5 percent, while state aid to Newport was cut by 7.4 percent.

Table II-27
FY 2009 Final Revised Budget
Impact on Education Aid ($ thousands)

	FY 09 Enacted	Total Reductions*	Group Home Adjustment	ARRA Reduction	ARRA Offset	Pension Savings**	FY 09 Final Total	FY 09 Final Net Change
Middletown	$10,497.1	$ (168.4)	$ 60.0	$ (597.0)	$ 597.0	$ (781.6)	$ 9,607.1	$ (890.0)
Newport	11,871.1	(181.1)	-	(665.7)	665.7	(696.3)	10,993.7	(877.4)
Portsmouth	6,700.0	(153.8)	45.0	(427.4)	427.4	(734.2)	5,857.0	(843.0)

* Permanent Education Fund and Professional Development

** Reduction in Education Aid is offset by assumed pension contribution savings

SOURCE: Senate Fiscal FY 2010 Budget Analysis and House Fiscal Documents

Table II-28
ARRA Impact
Title I and IDEA Part B
($ thousands)

	ARRA Enhancement Title I	IDEA
Middletown	$ 68.1	$ 316.0
Newport	197.5	401.7
Portsmouth	-	307.3

SOURCE: District Budgets; RI Department of Education; House Fiscal Documents; RIPEC calculations

The ARRA also includes funds to supplement two Federal programs – Title I and IDEA Part B. Title I is designed to supplement state and local support for low-achieving children in high-poverty areas, while IDEA Part B provides supplemental funding for services for individuals with disabilities, including early intervention and special education. Both of these funds are restricted. The Governor recommends that 50.0 percent of the total federal allocation be distributed in FY 2010 and the balance in FY 2011. These funds were allocated in accordance with existing distribution formulas. All three districts will receive additional IDEA funding, ranging from $401,699 in Newport to $307,319 in Portsmouth. Middletown will receive an additional $316,000. Portsmouth will not receive any additional funding for Title I, while Newport's allocation is $197,544 in each year, and Middletown's allocation is $68,097 in FY 2010 and FY 2011.

In FY 2010, the Governor proposes reducing direct education aid by an amount similar to the ARRA offset for each community, and by the amount of assumed pension savings. These changes, coupled with adjustments for group home beds, result in a net reduction in aid – when compared to the Governor's proposed FY 2009 budget – of $413,303 in Middletown, $496,026 in Newport, and $400,435 in Portsmouth.

Table II-29
FY 2010 Proposed Budget
Impact on Education Aid ($ thousands)

	FY 09 Enacted	FY 09 Gov Revised	Group Home Adjustment	ARRA Reduction	ARRA Offset	Pension Savings*	Total	FY09E - FY10
Middletown	$10,497.1	$ 10,631.0	$ 60.0	$ (515.9)	$ 518.6	$ (476.0)	$10,217.7	$ (279.4)
Newport	11,871.1	12,042.7	(75.0)	(583.4)	586.5	(424.1)	11,546.7	(324.4)
Portsmouth	6,700.0	6,795.7	45.0	(329.3)	331.0	(447.2)	6,395.3	(304.7)

* Reduction in Education Aid is offset by assumed pension contribution savings
SOURCE: Senate Fiscal FY 2010 Budget Analysis and House Fiscal Documents

Although the amount of aid shown on Table II-29 reflects all state aid, including restricted aid, the reductions and offset are entirely reflected in unrestricted funding. It should be noted that the reduction in state aid related to pension savings should be effectively revenue neutral – the reduction should be offset by the amount districts are able to save through pension reform. If these savings are not achieved and the funding is not restored, the districts would see a total decrease in revenue over the five-year period of the baseline forecast $1.4 million in Middletown, $1.6 million in Newport, and $1.5 million in Portsmouth. If the State does not restore state aid after the ARRA funds are done, and the pension savings are not achieved districts total revenue over the five-year period would decrease by $4.0 million in Middletown, $4.5 million in Newport, and $3.2 million in Portsmouth.

Expenditures

Assumptions and Methodology
As with the revenue forecast, a range of three scenarios were developed for each community when forecasting revenue growth, projecting the estimated baseline, "best case" and "worst case" scenarios. These forecasts are based on the districts' operating budgets only and do not take into account expenditures from restricted accounts. Expenditures for Middletown and Newport have been adjusted to exclude expenditures from restricted funds. The forecast assumes current services and uses district-provided enrollment projections.

- Salaries: this category includes all expenditures for salaries for certified, non-certified and administrative personnel.
    - FY 2010 growth reflects projected growth for each district's FY 2010 budget.
    - Between FY 2011 and FY 2014, projected growth will be based on an assumed (Cost of Living Adjustment) COLA rate that assumes growth at CPI for FY 2011, at 3.0 percent, or at zero.

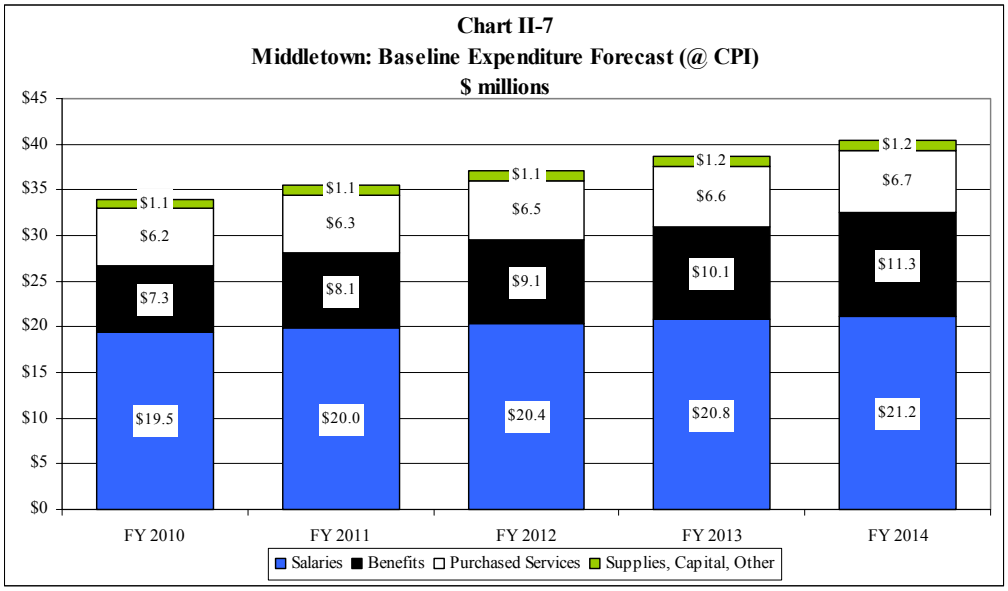
- Benefits: the category includes expenditures for health and dental insurance, FICA, life insurance, retirement for certified and non-certified employees, worker's compensation, unemployment and other miscellaneous.
    - Estimated increases will use a blended rate based on the following:
        - Health/dental insurance rates are based on an assumed medical inflation rate of 7.1 percent.
        - Retirement contribution rates reflect the five-year average increase in contributions for the State Teacher Retirement System for certified employees and the five-year average increase in contributions for MERS for non-certified employees in Middletown and Newport. The contribution rate in Portsmouth is based on an assumed planning value from the school district.
        - FICA, Worker's Compensation, and Unemployment Insurance contributions were assumed to grow with payroll growth. No change in the contribution rate was included.
        - Life insurance and "other" increased by 1.0 percent.

- Purchased Services, Supplies, Operating Capital, and Other
    - Increase based on projected CPI.

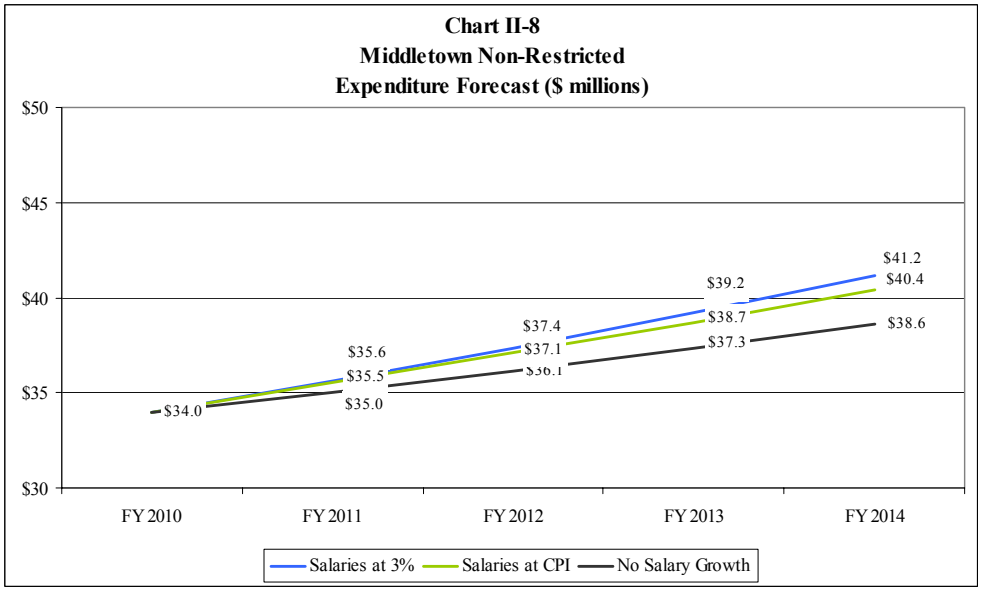
A separate capital analysis has been developed and is included in the capacity analysis section of this report.

Middletown Forecast – Expenditures

Expenditures for Middletown are projected to increase from $34.0 million in FY 2010 to $40.4 million in FY 2014, an interim increase of 18.9 percent. While salaries are projected to constitute the largest portion of expenditures in both years, benefits represent the largest portion of the increase, accounting for 63.5 percent of all growth during this time period.

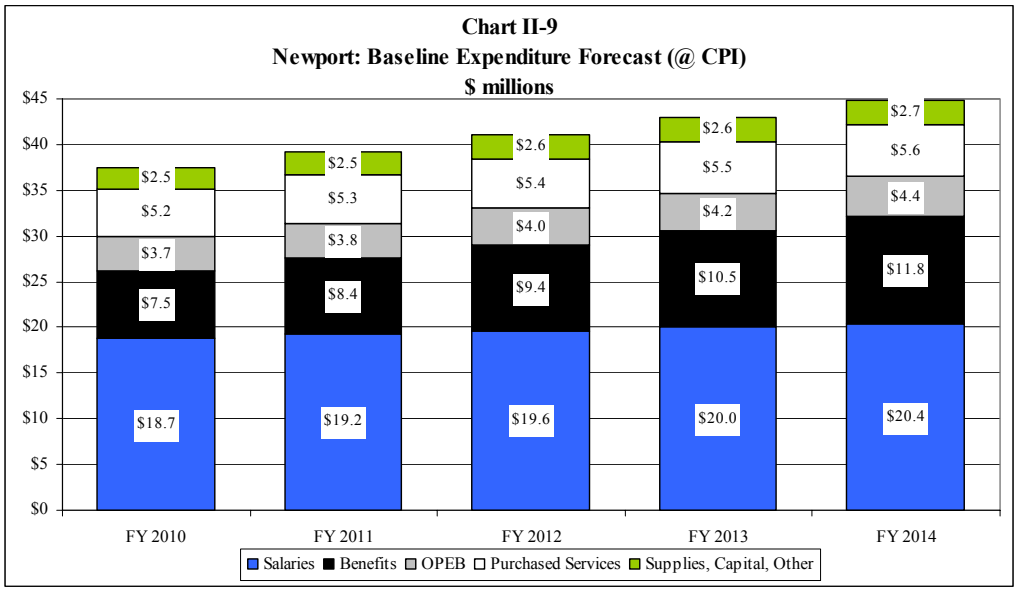


The following expenditure projection band shows the impact on the district's budget if salaries increased at CPI (green line), 3.0 percent, which is slightly lower than prior Middletown budget increases, and if there were no salary increases. Under the highest-growth scenario (blue line), Middletown's budget is projected to increase to $41.2 million (21.1 percent growth) in FY 2014, while under the lowest-growth scenario (black line), total expenditures are estimated to increase 13.5 percent to $38.6 million in FY 2014.

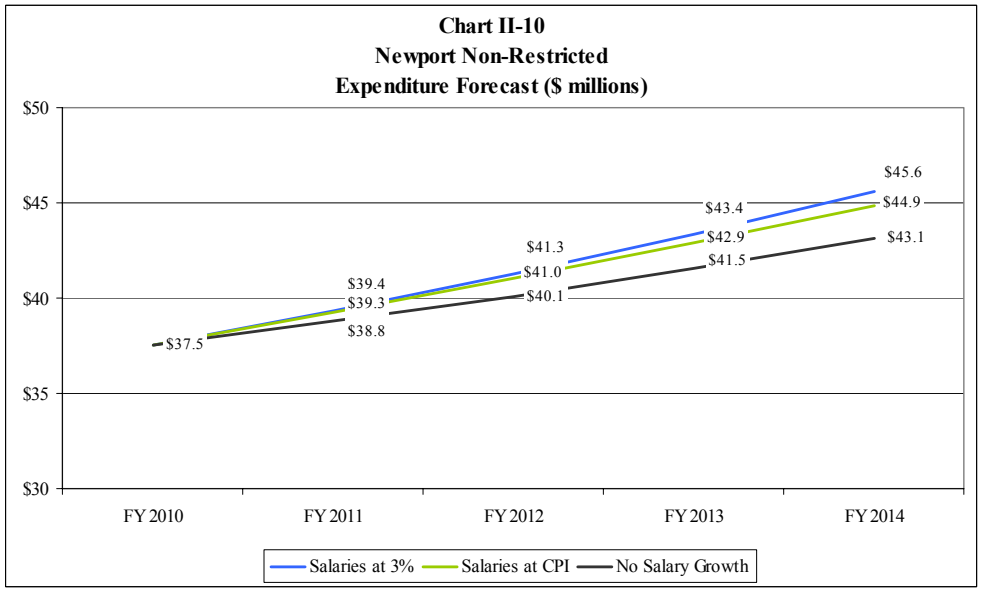


Newport Forecast – Expenditures

Between FY 2010 and FY 2014, expenditures in Newport are projected to increase $7.3 million from $37.0 million to $44.9 million (24.8 percent). Of this total increase, 58.8 percent is attributable to an increase in benefits (excluding the district's OPEB liability), while 22.5 percent is due to growth in salaries. Approximately 10 percent of the growth is related to the Newport's funding of their OPEB liability.

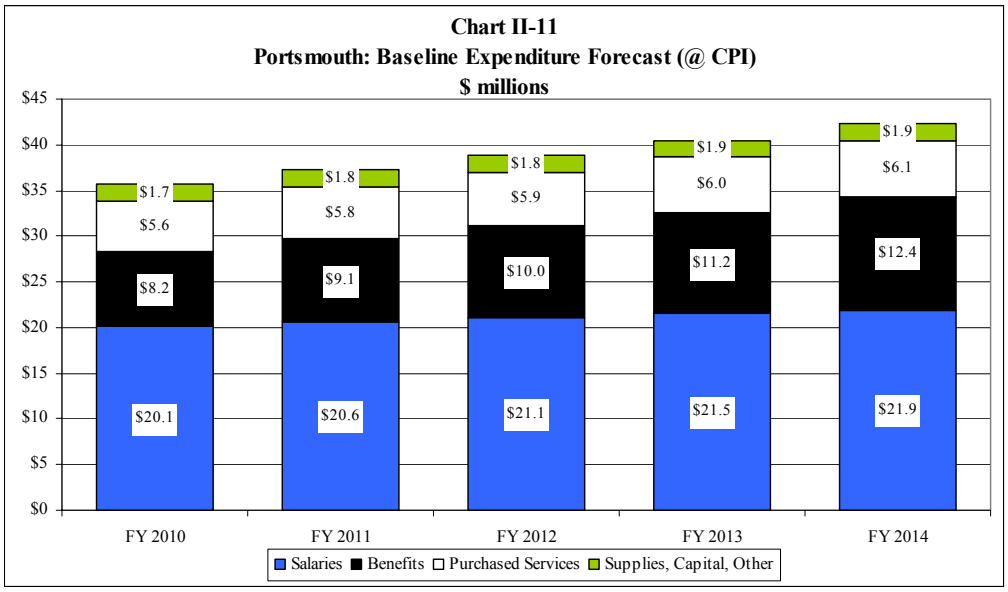


If salaries increase at 2.99 percent (the current contract COLA; blue line), total expenditures in Newport are projected to increase by 26.8 percent between FY 2010 and FY 2014. Total projected FY 2014 expenditures of $45.6 million include an estimated OPEB payment of $4.4 million. Assuming no increase in salaries, estimated expenditures in FY 2014 are projected to total $43.1 million, a 19.9 percent increase over FY 2010 (including OPEB).

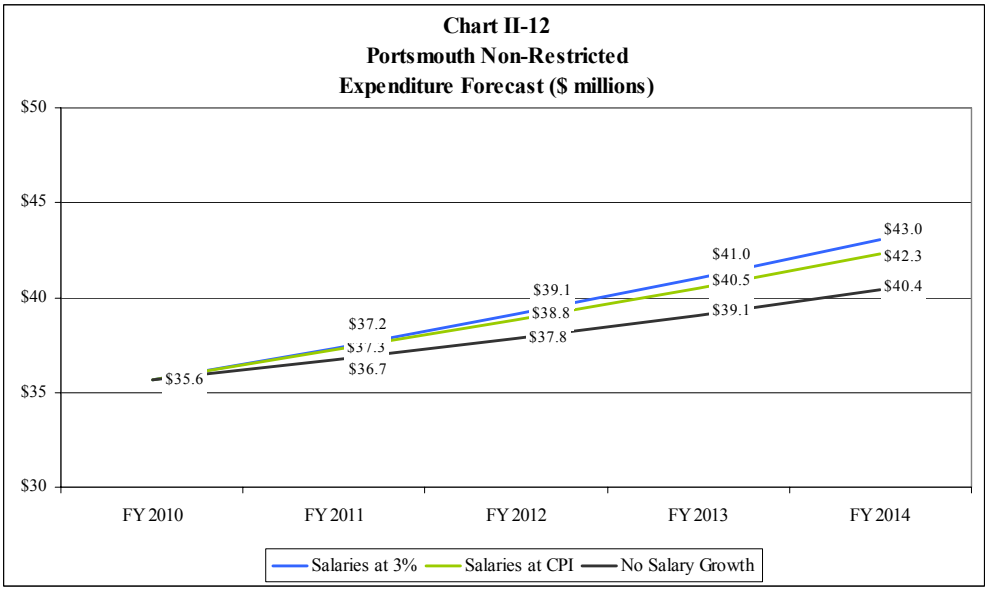


Portsmouth Forecast – Expenditures

Between FY 2010 and FY 2014, expenditures in Portsmouth are projected to increase 18.6 percent, from $35.6 million to $42.3 million. As with Middletown, the largest component of expenditures in all years is salaries, which are projected to account for 51.7 percent of all FY 2014 expenditures. However, benefits are expected to constitute 63.7 percent of the total increase, an increase more than twice that of salaries.

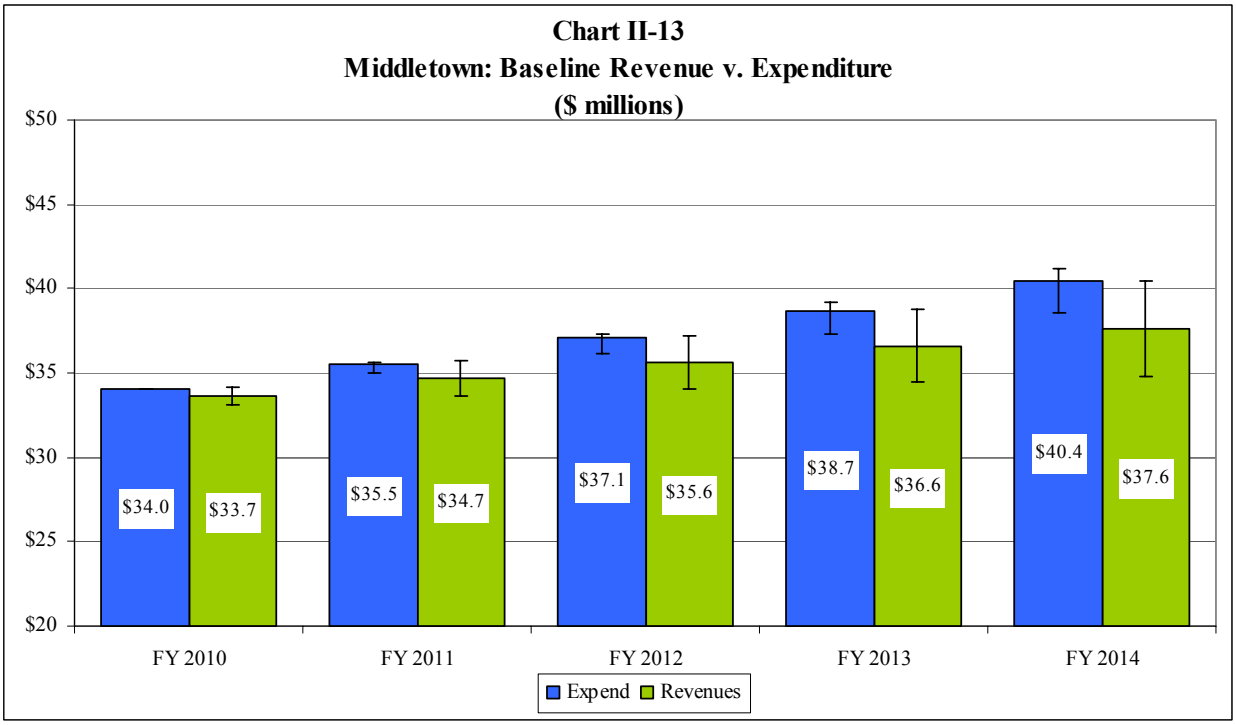


As shown on the expenditure band below, if salaries were to increase at a 3.0 percent annual rate over the next five years, expenditures in the district would increase to $43.0 million in FY 2014, an increase of 20.8 percent from FY 2010. If there was no salary growth, total expenditures in Portsmouth would increase by 13.3 percent to $40.4 million.



Projected Budget Implications

To provide policymakers with a tool to consider the implications of the forecast, the following charts compare the forecasted revenues to the forecasted expenditures, including the range projected by the revenue and expenditure bands outlined above. Any changes in the assumptions used in creating the forecast will affect the out-year projected balances on these charts. One should note that this forecast does not take into account the changes proposed by the Governor in his FY 2010 budget or any changes proposed in subsequent proposed FY 2010 budgets.

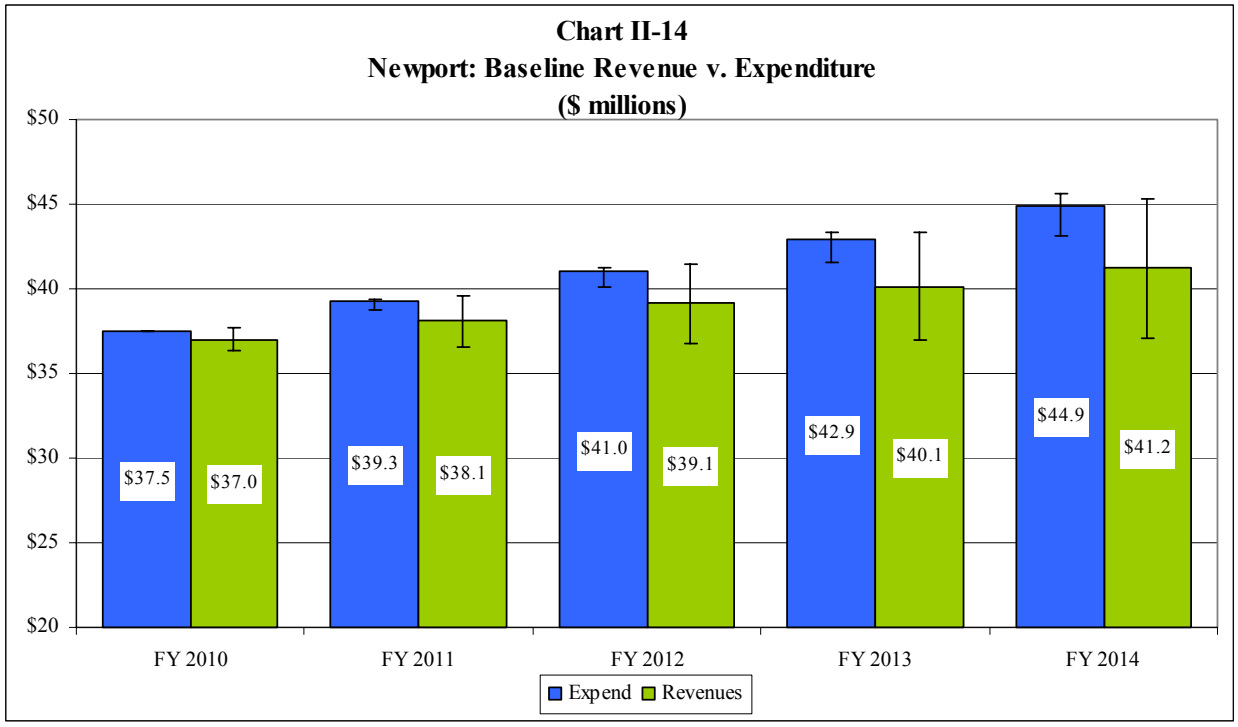


Based on the baseline revenue and expenditure forecasts, Middletown is projected to have out-year deficits from $0.3 million in FY 2010 to $2.8 million in FY 2014 (1.0 percent to 7.5 percent the district's projected operating revenues). Expenditures are expected to increase at an average annual rate of 4.4 percent, while revenues are projected to increase at a rate of 2.8 percent per year. As noted in the expenditure forecast section, the principle driver of expenditure growth is the increase in benefits, the majority of which are medical and retirement benefits. Further, while local revenues are projected to increase at a rate of 4.1 percent per year, the model assumes no increases in state aid, and it forecasts federal revenues declining at an average annual rate of 1.4 percent.

The error bars on Chart II-13 indicate the values projected by the revenue and expenditure bands in order to provide a range of possibilities for consideration. The upper error bar reflects either the "best case" revenue scenario or the expenditure forecast with salaries at 3.0 percent, while the lower error bar represents the forecast for the "worst case" scenario or the expenditure forecast with no salary growth.

If Middletown were to have revenue growth at the upper limit (an increase in the district's share of the levy of 1.0 percent and an increase in state aid of 1.0 percent) and no growth in salaries, the district would have a surplus of $1.9 million in FY 2014. Conversely, if the district's revenues were at the lower end of the revenue forecast (a decrease in the district's share of the levy of 1.0 percent and a 1.0 annual decrease in state aid), and salaries were to increase by 3.0 percent each year, the district would have a deficit of $6.4 million in FY 2014.

Of note, Middletown's levy has increased at a rate below the property tax cap (5.0 percent in FY 2008 and 4.6 percent in FY 2009), and the district's share of the levy decreased slightly between FY 2007 and FY 2009, from 57.5 percent to 56.0 percent. In addition, Middletown's past contracts have included a COLA provision of 3.4 percent per year. If these trends were to continue, it would be likely that the district would be near the upper bound of the expenditure forecast and toward the lower bound of the revenue forecast.

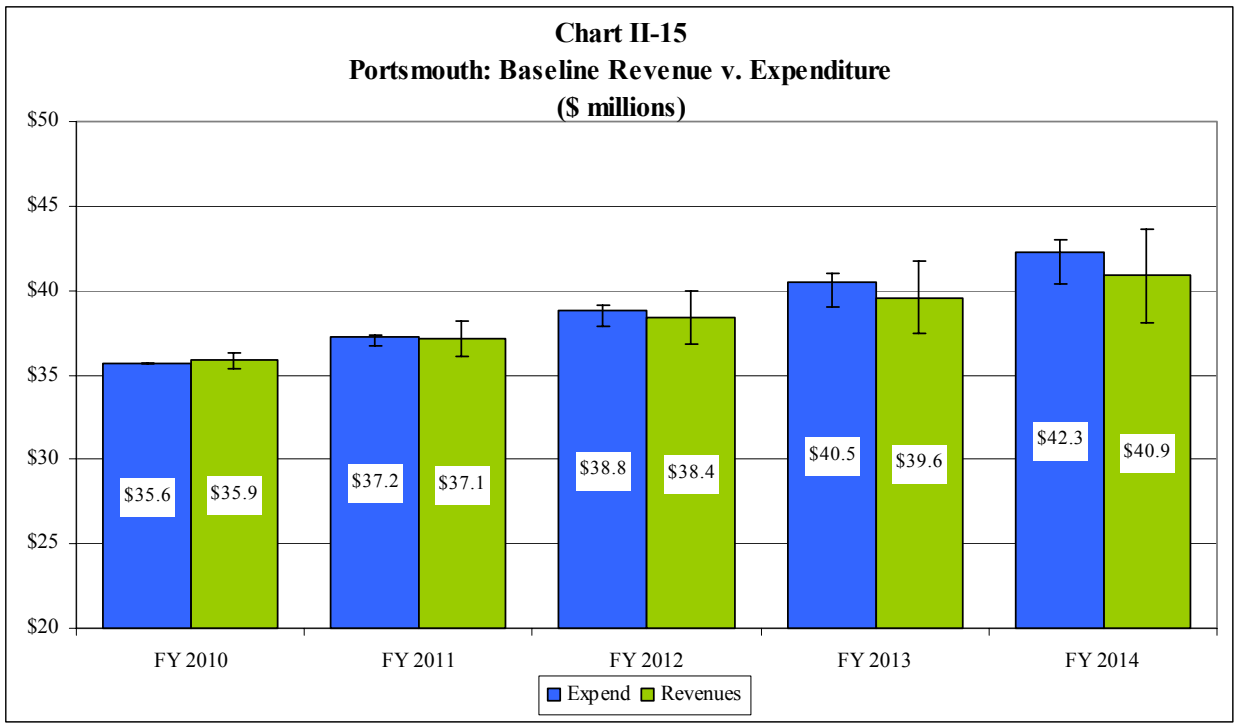


Newport is projected to have a deficit of $0.5 million in FY 2010 and $3.6 million in FY 2014 based on the baseline expenditure and revenue forecasts. This translates into an estimated 1.4 percent to 8.8 percent of the district's forecasted unrestricted revenues. Expenditures are projected to increase at an average annual rate of 3.6 percent while baseline revenues are forecast to grow, on average, by 2.2 percent annually. Benefits, including the district's OPEB liability, are the principle driver of the expenditure growth; between FY 2010 and FY 2014, these two expenditure categories are projected to increase at an average annual rate of 9.7 percent, compared to an average annual rate of 2.1 percent for salaries.

One should note that Newport is the only district of the three to have a contract in place, which includes an annual COLA increase of 2.99 percent through 2013. This is reflected in the upper limit on the error bars. If this contract remains in place, salaries increase at a rate of 2.99 percent

per year, and revenues remain at the baseline, Newport is projected to have a deficit of $0.5 million in FY 2010. This deficit is projected to increase to $4.4 million in FY 2014. However, the district has also seen a decrease in expenditures on salaries over the past three fiscal years. If Newport had no salary growth between FY 2010 and FY 2014, the district would have a deficit of $1.9 million (using the baseline revenue forecast).

Historically, Newport has been under the property tax levy cap, with an average annual levy increase of 3.5 percent between FY 2004 and FY 2009. In addition, the district's share of the levy decreased from 42.4 percent in FY 2007 to 39.3 percent in FY 2009. If this trend continues, Newport is likely to have revenues closer to the lower end of the revenue range. Coupled with the contractual salary increase, Newport would have a projected deficit of $1.2 million in FY 2010, which would increase to $8.5 million in FY 2014. If there is no growth in salaries, the district is projected to have a deficit of $6.0 million.



According to the baseline forecasts, Portsmouth is projected to have estimated operating deficits from $0.2 million in FY 2010 to $1.4 million in FY 2014 (an estimated 0.7 percent to 3.4 percent of the district's projected unrestricted revenues). These estimates reflect average annual revenue growth of 3.3 percent and average annual expenditure growth of 4.4 percent. As with the other two communities, benefits are the primary driver of the growth in expenditures. While salaries are projected to account for 26.6 percent of the total baseline expenditure growth between FY 2010 and FY 2014, the increase in benefits is projected to account for 63.6 percent of total expenditure growth.

If salaries were to increase in Portsmouth by 3.0 percent per year, and revenues were to remain at the baseline, the district would have a surplus of $0.2 million in FY 2010 and a deficit of $2.2 million in FY 2014. If salaries were to remain at FY 2009 levels, and revenues were at the

baseline, the district would have a surplus of $0.2 million in FY 2010 and of $0.5 million in FY 2014.

Portsmouth has increased its levy to the cap since the cap has been in place. Between FY 2004 and FY 2009, the total levy increased at an average annual rate of 5.2 percent. Since FY 2007, the district's share of the levy has remained relatively constant, ranging from 66.6 percent in FY 2007 to 66.4 percent in FY 2008 and FY 2009. If these trends continue, the district is likely to have revenues at the baseline forecast. At the same time, based on the district's budget, salaries in Portsmouth increased between 4.4 percent and 5.4 percent over the past three fiscal years. This indicates that Portsmouth is likely to be on the upper end of the expenditure forecast.

Section III:
Consolidated District Overview and Forecasts

Introduction

Rhode Island General Law (RIGL) includes a provision that the Commissioner of Elementary and Secondary Education may create a "Regional District Planning Board" if they find that any of the following conditions exist in a school district:

- High school enrollments are below or are projected to be less than 100 per grade;
- Per pupil spending is 66.0 percent or less of the statewide average for three consecutive years;
- The community does not have the fiscal and economic capacity to provide educational programs consistent with law and regulations, based on factors included, but not limited to, per pupil assessed valuation, and personal income; or
- The school district does not have the capacity to comply with the Basic Education Program (BEP).

While it is clear that the three Aquidneck Island districts do not meet any of the current criteria that would enable the Commissioner to require the districts to consolidate, the analysis above demonstrates the challenges the three communities face with regard to the funding and provision of education in the future. Increasing benefit costs and investments in salaries are the primary drivers of the cost of education, as they are in many human-capital intensive enterprises. However, districts are somewhat restricted in their ability to mitigate these costs due to minimum class size requirements, capacity issues, student assignment restrictions, and the need to offer a full and enriching curriculum. Consolidation may offer opportunities to address cost-controls in these three communities.

The following section provides a snapshot of what the three districts would look like if they were to consolidate, and examines where they stand vis a vis four other districts of similar size in order to provide a benchmarking analysis and to help formulate guidelines for the creation of a hypothetical consolidated district. The section also examines a number of possible models for consolidation that are based on changes to the student/teacher ratio, administrative staff, and the number of schools. Finally, the section examines the possible effect consolidation would have on school housing aid and the individual districts' capital plans.

Regional District Snapshot – Demographics, Finances and Model 1

The following will provide an overview of what a hypothetical consolidated district would look like on a number of different metrics, and will compare the district to four additional districts that were selected by the Committee. Included in this section is an overview of demographics, enrollment trends, test results, and fiscal trends for the hypothetical district, as well as in comparison to the benchmarking districts.

Benchmarking Analysis

This section will compare the hypothetical Aquidneck Island District to four benchmarking districts: Bristol, CT; Stratford, CT; Union, NJ; and Attleboro, MA. The districts will be compared on community and student demographics, staffing patterns, revenues and expenditures. The benchmarking analyses use data from the United States Census Bureau, School Data Direct and the National Center for Education Statistics Common Core Data Set (NCES CCD). For a glossary of terms in this section, as well as explanatory notes, please refer to the Appendix.

Community Profiles

Of the four benchmarking communities, Bristol is the largest, with a 2007 population of 60,911. This was slightly larger than the combined population of the three Aquidneck Island communities in 2007 (58,648). Since 2000, all three Aquidneck Island communities, along with Stratford and Union, saw their population decline while both Bristol and Attleboro experienced population growth.

Portsmouth's estimated median family income of $89,312 in 2007 was the highest of all seven communities, followed by Union, which had an estimated median family income of $80,612. Estimated median family income in Bristol and Newport were the lowest of all the districts ($71,939 and $70,479, respectively).

Table III-1
Community Profile Data

	Bristol	Stratford	Union	Attleboro	Middletown	Newport	Portsmouth	Total
State	CT	CT	NJ	MA	RI	RI	RI	RI
County	Hartford	Fairfield	Union	Bristol	Newport	Newport	Newport	Newport
Population, 2007	60,911	49,015	54,062	43,113	16,259	25,359	17,030	58,648
Change Since 2000	1.4%	-1.9%	-0.6%	2.5%	-6.2%	-4.2%	-0.7%	-3.8%
Median Family Income, 2007	$71,939	$79,477	$80,612	$74,205	$74,654	$70,479	$89,312	N/A
% of Population 25+								
HS Diploma or Higher	86.9%	88.5%	86.8%	84.4%	93.3%	90.6%	93.3%	N/A
Bachelors or Higher	18.3%	29.4%	28.5%	29.0%	38.9%	42.4%	43.4%	N/A

SOURCE: US Census Bureau; School Data Direct; RIPEC calculations

All three Aquidneck Island communities had a higher level of educational attainment than the benchmarking districts. Over 90 percent of the population aged 25+ had at least a high school diploma in all three Aquidneck Island communities in 2008. In contrast, the percent of the population (25+) with at least a high school diploma in the benchmarking communities ranged from 84.4 percent in Attleboro to 88.5 percent in Stratford. Similarly, all three Aquidneck Island communities had a larger percent of the population with at least a Bachelor's degree in 2008. Portsmouth had the highest level of educational attainment, with 43.3 percent of the population 25 and older having received a Bachelor's degree, followed by Newport, where 42.4 percent of the population held a Bachelor's degree. This level of educational attainment was more than double that in Bristol, where just 18.3 percent of the population held a college degree in 2008.

Student Demographics

A variety of economic and demographic factors have an impact on student performance and cost of educating students. Characteristics such as poverty, language barriers or learning disabilities play an important role in education and, as such, should be taken into consideration when examining the results of performance on standardized exams and when evaluating education expenditures. This section examines how a hypothetical Aquidneck Island district, had it been formed in FY 2006 with no changes, would compare to the four other benchmarking districts.

As seen from Table III-2, total FY 2006 "Aquidneck Island" enrollment was 8,004 students, compared to 9,036 in Bristol, 7,250 in Stratford, 7,935 in Union, and 6,196 in Attleboro. When using the weighted enrollment, which takes into account the differential needs of various student categories, the total "Aquidneck Island" enrollment was 10,402 students.

Of all of the districts, Stratford had the highest percentage of economically disadvantaged (FRL) students (35.4 percent) followed by Bristol (28.7 percent), Union (26.6 percent), and Attleboro and "Aquidneck" (23.2 percent). The "Aquidneck Island District" also had the lowest percentage of English Language Learners (ELL) when measured as a percentage of total enrollments. Of the benchmarking districts, Stratford had the highest percentage of ELL students (34.0 percent) followed by Bristol (22.0 percent), Attleboro (6.6 percent), and Union (2.4 percent). When compared to the benchmarking districts, special education enrollment as a percent of total enrollment in the hypothetical district was the second highest at 19.6 percent. Only Union had a higher percentage of students with disabilities (26.1 percent). Stratford had the lowest percentage of special education students in FY 2006.

Table III-2
Enrollment FY 2006

	Bristol	Stratford	Attleboro	Union	Aquidneck
Total Enrollment	9,036	7,250	6,196	7,935	8,004
Economically Disadvantaged (%)	28.7%	35.4%	23.2%	26.6%	23.2%
English Language Learners (%)	22.0%	34.0%	6.6%	2.4%	1.2%
Students with Disabilities (%)	13.1%	9.5%	17.6%	26.1%	19.6%
Weighted Enrollment	11,286	8,955	7,981	10,924	10,402

SOURCE: School Data Direct; RI Department of Education; NCES CCD; RIPEC Calculations

To provide for a baseline measurement, total enrollments were forecasted using a five-year rolling average of the percent change in enrollment as shown on Table III-3. The Aquidneck Island enrollments represent the combined enrollment projections as provided by the districts. All of the benchmarking districts are projected to see a decrease in student population, ranging from a 1.4 percent decline in Bristol to a 12.4 percent decline in Aquidneck.

Table III-3
Forecasted Enrollment FY 2009 - FY 2014

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Bristol	8,807	8,798	8,780	8,754	8,722	8,682
Stratford	7,390	7,350	7,289	7,234	7,230	7,200
Attleboro	5,939	5,803	5,677	5,568	5,460	5,359
Union	7,728	7,677	7,611	7,578	7,526	7,469
Aquidneck*	7,382	7,147	6,991	6,815	6,638	6,493

* FY 2009 is actual enrollment, FY 2010 - FY 2014 represents district-provided enrollment projections
SOURCE: NCES Common Core of Data; RIPEC projections based on a five-year average change

Student Proficiency

Another consideration is how well districts perform with regard to student achievement, particularly in light of the level of resources dedicated to education. While there are a number of ways to measure student achievement, Table III-4 shows the percentage of students (Grades 3-8) in each district that scored at or above proficient on statewide tests of reading and mathematics. Note that each State has their own assessment tool for determining student proficiency under the No Child Left Behind (NCLB) Act. As such, caution should be used when comparing districts.

Table III-4
Percent of Students Scoring At or Above Proficient*
2007-08

	Bristol		Stratford		Attleboro		Union		Aquidneck**	
	Reading	Math	Reading	Math	Reading	Math	Reading	Math	Reading	Math
Grade 3	52%	70%	48%	57%	53%	60%	88%	88%	74%	68%
Grade 4	53%	59%	51%	53%	44%	45%	79%	80%	68%	69%
Grade 5	61%	63%	60%	68%	54%	49%	47%	60%	70%	66%
Grade 6	65%	66%	68%	67%	66%	53%	43%	57%	69%	68%
Grade 7	71%	60%	74%	64%	64%	44%	62%	48%	77%	66%
Grade 8	68%	63%	60%	54%	76%	50%	76%	53%	77%	71%

* Represents the percent of studens scoring proficient or higher on state standardized exams mandated under NCLB.
** Testing year 2008
SOURCE: Connecticut, New Jersey, Massachusetts, and Rhode Island Departments of Education

Table III-4 shows the percent of students scoring at or above proficient on state-administered exams. All benchmarking district results are from the spring of 2008, while Aquidneck Island results are from the fall of 2008.

Student performance was varied across the six grades covered in this analysis. In general, students in the hypothetical Aquidneck Island district performed as well or better than students in the benchmarking districts with the exception of grades 3 and 4, where students in the Union district achieved the highest proficiency rates.

Revenues and Expenditures

In FY 2006, total per pupil revenue across the three Aquidneck Island districts was $13,691. On a weighted enrollment basis, total revenues were $10,535. Local revenues per pupil across the Island were $8,599 ($6,617 weighted), which was slightly more than twice the amount of revenues from State sources ($3,735; $2,874 weighted). Federal revenues in FY 2006 totaled $1,357 ($1,044 weighted).

Table III-5
Revenues FY 2006

	Bristol	Stratford	Attleboro	Union	Aquidneck
$ Per Student					
Local	$5,708	$9,036	$5,668	$8,792	$8,599
State	5,027	3,139	4,812	3,580	3,735
Federal	469	446	569	476	1,357
Total Revenue	$11,204	$12,621	$11,049	$12,848	$13,691
$ Per Weighted Student					
Local	$4,570	$7,315	$4,400	$6,386	$6,617
State	4,025	2,541	3,736	2,600	2,874
Federal	376	361	442	346	1,044
Total Revenue	$8,971	$10,218	$8,578	$9,333	$10,535

SOURCE: School Data Direct; NCES Common Core Data Set; RIPEC Calculations

When revenues are measured on both an un-weighted and a weighted basis, FY 2006 revenue in Aquidneck was higher than all of the benchmarking districts. Of the four benchmarking districts, total per pupil revenues in FY 2006 were the highest in Union ($12,848) and the lowest in Attleboro ($11,049). On a weighted basis, total per pupil revenues were the highest in Stratford ($10,218) and lowest in Attleboro ($8,578).

In FY 2006, 62.8 of total revenues raised in Aquidneck Island came from local sources while 27.3 percent was from state aid. The remaining 9.9 percent was from the Federal government. Both Stratford and Union relied more on local sources to support education that the hypothetical Aquidneck Island district (71.6 percent and 68.4 percent, respectively). In both Bristol and Attleboro, approximately 50 percent of FY 2006 revenues were from local sources. Similarly, Stratford and Union received less of their revenues from state sources than either Bristol or

Attleboro. State support for education in Union was 27.9, which was similar to the State share in Aquidneck. All four comparison districts received less in Federal support than the combined Aquidneck districts. Among the benchmarking districts, Attleboro saw the most Federal revenue (5.1 percent of total revenues), while Stratford received the least Federal funding (3.5 percent). The level of Federal support in Aquidneck was almost three times higher than in Stratford.

Table III-6
Revenue by Source, FY 2006

	Bristol	Stratford	Attleboro	Union	Aquidneck
Local	50.9%	71.6%	51.3%	68.4%	62.8%
State	44.9%	24.9%	43.6%	27.9%	27.3%
Federal	4.2%	3.5%	5.1%	3.7%	9.9%

SOURCE: School Data Direct; RI Department of Education; RIPEC Calculations

In FY 2006, the combined Aquidneck Island districts spent a total of $12,781 per pupil. This was slightly higher than total expenditures in Union, which were $12,614 per pupil. However, Union had the highest capital expenditures in FY 2006 ($1,078 per pupil), which were over thirteen times higher than capital expenditures in Aquidneck of $81 per pupil. When operating expenditures were examined (excluding capital), the three Aquidneck districts spent a combined total of $11,734 per pupil, 7.9 percent higher than per pupil operating expenditures in Stratford, the next highest-spending district. When compared to Attleboro, the district with the lowest per pupil expenditures, total Aquidneck operating expenditures were 27.1 percent higher.

On a weighted basis, the three Aquidneck Island communities spent a total of $9,835 per pupil in FY 2006, compared to $9,585 per pupil in Stratford, $9,163 per pupil in Union, $8,592 per pupil in Bristol, and $7,834 per pupil in Attleboro. Similarly, weighted per pupil operating expenditures were the highest in the three combined communities totaling $9,029 in FY 2006.

In all four of the benchmarking districts, and in the hypothetical Aquidneck Island district, instruction-related expenditures accounted for the largest share of spending in FY 2006. Although the Aquidneck Island district would have devoted more resources to instructional expenses in an absolute sense, the "district" was in the middle of the benchmarking districts on a percentage basis. Conversely, the hypothetical district devoted more resources on a percentage basis to pupil support, devoting 3.5 percent more in total resources compared to Union, which devoted the second-highest share of the budget to pupil support. Similar to per pupil expenditures, the hypothetical district spent significantly more on "other" expenditures, which include food services, transportation and other commitments. Expenditures in this category were more than double the other districts, both on an absolute basis and as a percent of total spending.

Table III-7
Per Pupil Expenditures, FY 2006

	Bristol	Stratford	Union	Attleboro	Aquidneck
$ Per Student					
Operating Expenditures by Function	$10,163	$10,876	$10,796	$9,231	$11,734
Instruction	$6,507	$6,664	$6,270	$5,466	$7,061
Instructional Staff Support	436	270	388	469	473
Pupil Support	408	845	951	573	1,389
General Administration	108	96	302	204	176
School Administration	585	621	519	479	597
Operations and Maintenance	884	1,128	1,198	1,143	1,098
Other Expenditures*	1,234	1,252	1,168	898	2,885
Capital Expenditures	$306	$39	$1,078	$234	$81
Total Expenditures	$10,731	$11,839	$12,614	$10,090	$12,781
$ Per Weighted Student					
Operating Expenditures by Function	$8,137	$8,805	$7,842	$7,167	$9,029
Instruction	$5,210	$5,395	$4,554	$4,244	$5,434
Instructional Staff Support	349	219	282	364	364
Pupil Support	327	684	691	445	1,069
General Administration	86	78	219	158	136
School Administration	468	503	377	372	460
Operations and Maintenance	708	913	870	887	845
Other Expenditures*	988	1,014	848	697	2,220
Capital Expenditures	$245	$32	$783	$182	$62
Total Expenditures	$8,592	$9,585	$9,163	$7,834	$9,835

*Other expenditures includes food services, enterprise operations and student transportation

SOURCE: School Data Direct; NCES Common Core Data Set; RIPEC Calculations

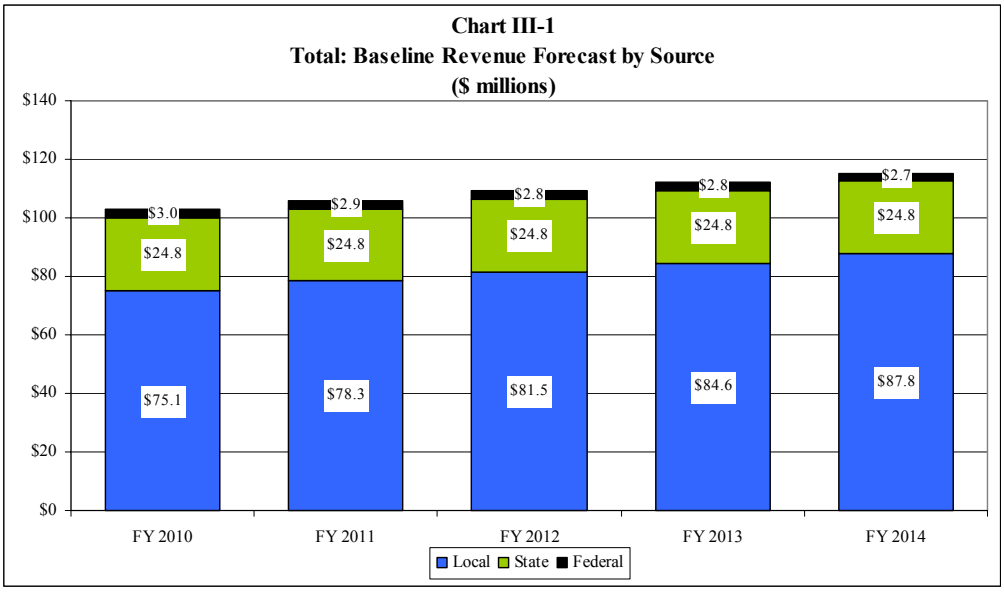
Combined District Forecast – Model 1

In order to create a benchmark for the districts, an initial model was created to show total expenditures and revenues across the entire island. The forecasted revenues for all three districts were combined, maintaining the "high," "baseline" and "low" revenue forecasts. This revenue forecast was used against all models. Expenditures were combined for all three districts and the three different pay models were used (3.0 percent, CPI and no growth) to provide an expenditure "band". Teacher attrition/declining enrollments were not accounted for in the model, based on the assumption (as with the individual district models) that districts effectively will face a "cliff" with regard to how many teachers they can let go without school closures, etc. in order to maintain a full course offering and support the necessary number of classrooms at the elementary level. The Newport OPEB liability has been taken out of the forecast, based on the assumption that this would remain with the town. School revenues have been decreased by the forecasted OPEB liability. The reduction on the revenue side was taken out of Newport's property tax contribution.

Revenue Forecast

Revenues by Source

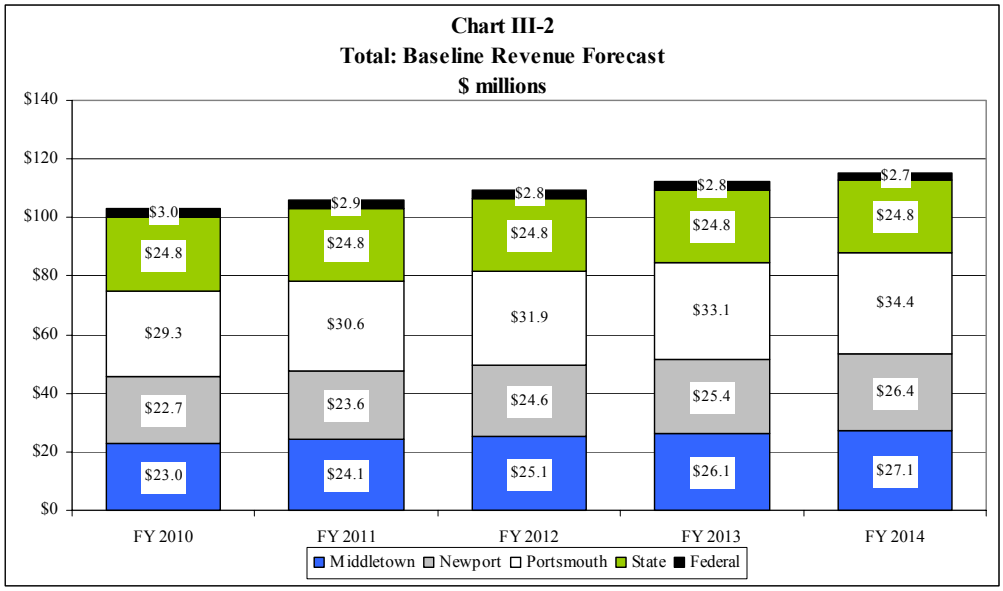
The baseline forecast for all three districts shows revenues increasing from $102.9 million in FY 2010 to $115.3 million in FY 2014. This represents an average annual rate of growth of 2.9 percent. The share of total revenues supported by property taxes in the three districts is expected to grow from 72.0 percent in FY 2010 to 76.1 percent in FY 2014.



District Share of Revenues

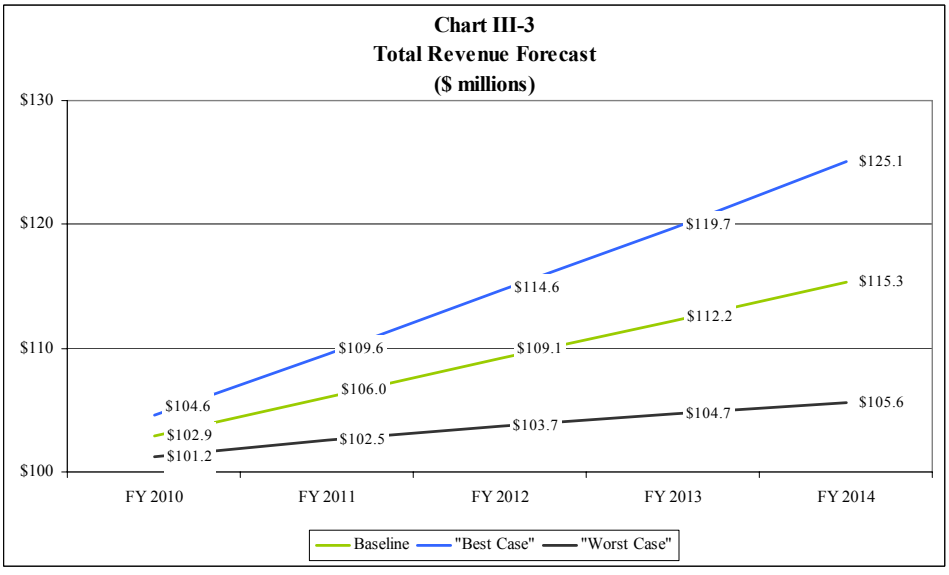
Chart III-2 shows each district's share of the total local portion of the revenues, as well as the projected State and Federal share. Based on this chart, the largest share of total local revenues would be from Portsmouth, which is projected to contribute $34.4 million in FY 2014. Portsmouth's projected share is $7.3 million more than projected local revenues in Middletown

and $8.0 million more than the estimated local share in Newport. However, one should note that these amounts represent the projected local share for each district, independent of a consolidated district. As such, they do not necessarily reflect the local share each community would pay into a consolidated district.



Revenue Band

As with the individual district forecast, the combined revenue forecast includes a hypothetical "best" and "worst" case scenario in order to show a range of options in addition to the "baseline" projection. If all three districts were to meet their "best case" target in all five years (blue line), the combined district would see total revenues increase from $104.6 million in FY 2010 to $125.1 million in FY 2014. Conversely, if all three districts were at the "worst case" revenue forecast (black line), revenues for the consolidated district would increase from $101.2 million in FY 2010 to $105.6 million in FY 2014.

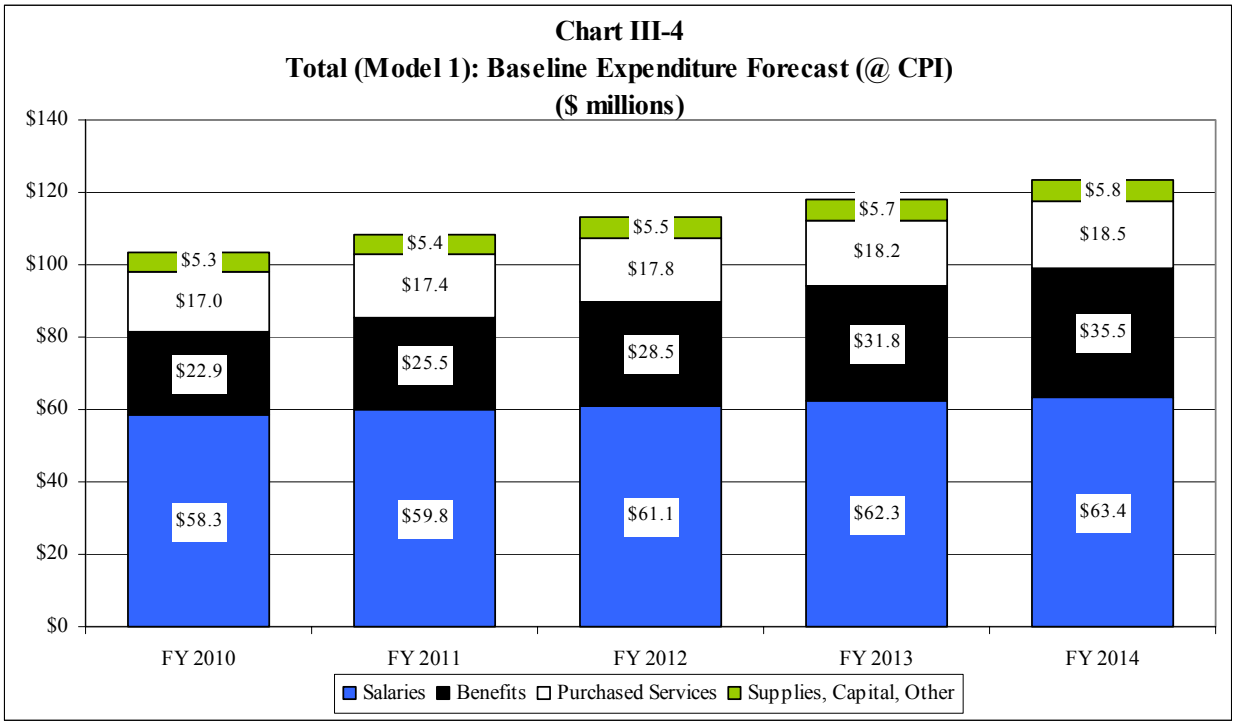


Expenditure Forecast

Expenditures by Category

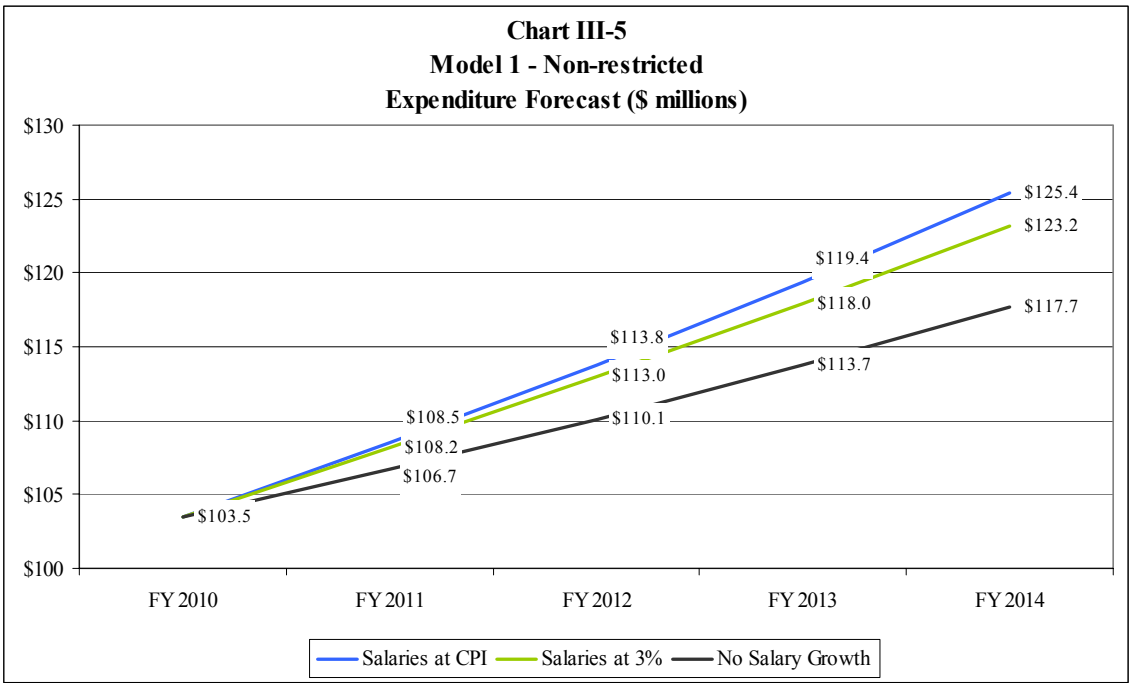
Between FY 2010 and FY 2014, expenditures across all three districts are projected to increase 19.0 percent percent, from $99.7 million to $123.2 million. This is a slightly larger percentage increase that that forecasted for both Middletown and Portsmouth (18.9 percent and 18.6 percent, respectively), and approximately 6 percent lower than the forecasted rate of growth for Newport (24.8 percent).

Salaries and benefits represent the largest share of the increase, accounting for 26.9 percent and 63.8 percent of the total increase of the time period included in the forecast. While this is approximately the same share as in the Middletown and Portsmouth forecasts, projected salaries and benefits would take up a larger share of the collective budget than was forecasted in the independent Newport district. However, in the individual forecast for Newport, the district's OPEB liability was calculated separately from the other benefits and was estimated to account for approximately 10 percent of the total increase over the five years.



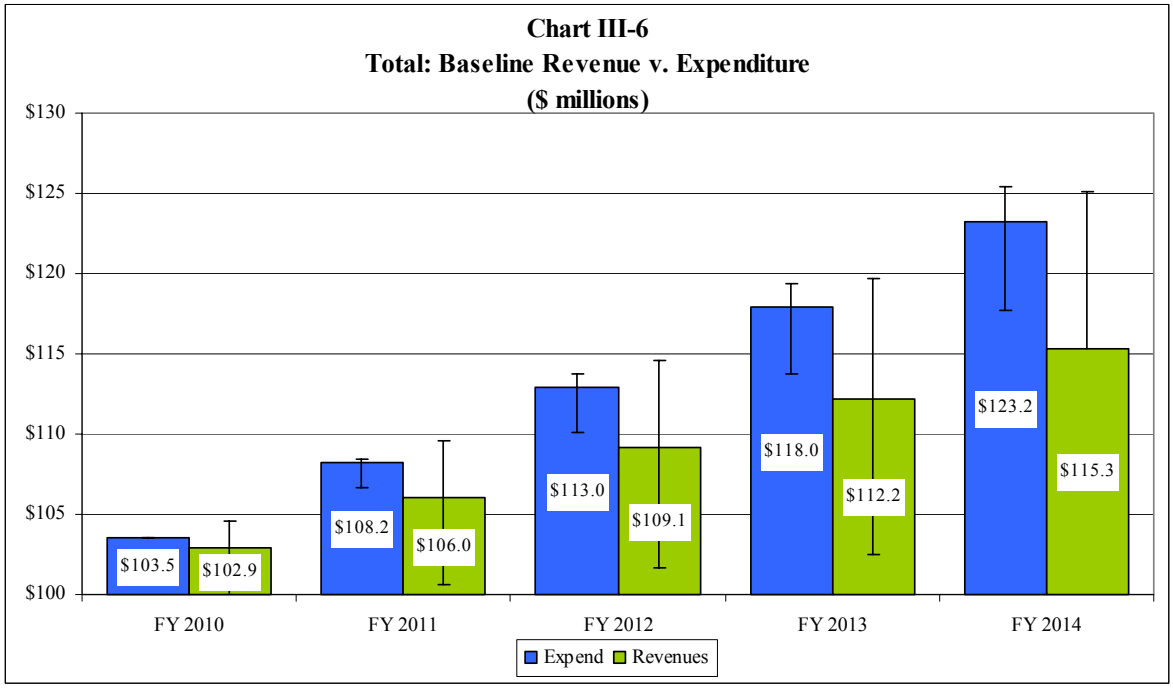
Expenditure Band

Similar to the individual district forecasts, three expenditure scenarios were forecast using three different estimates for expenditures on salaries (increasing at 3.0 percent, similar to current and historic COLAs, increasing at CPI, and with no forecasted increase). This was done to provide the districts with a range of expenditure scenarios. In FY 2014, the districts are projected to spend between $117.7 million and $125.4 million, collectively, based on the individual district forecasts. This represents an increase of between 18.0 percent (black line) and 25.8 percent (blue line) when compared to estimated FY 2010 expenditures of $103.5 million.



Projected Budget Implications

Chart III-6 shows the projected collective budget implications if all three districts were to increase both their revenues and expenditures at the baseline, with error bars to show the projected range as shown in the revenue and expenditure bands presented above. Using the forecasted baseline estimates, the three districts are projected to face deficits ranging from $0.6 million in FY 2010 to $7.8 million in FY 2014. This translates into projected deficits of 0.6 percent to 6.4 percent of the total forecasted operating budgets across all three communities.



Regional District Snapshot: Staffing Analysis and Models 2-4

Costs related to personnel – primarily salaries and benefits – represent the largest share of expenditures in education. While some of these costs are fixed, to the extent that districts must adhere to minimum class size requirements and restrictions related to the physical plant, there is a possibility that consolidation may represent an opportunity for the districts to reduce some of these costs without reducing the quality of education. This section will first examine staffing trends in the hypothetical Aquidneck Island district and in comparison to the benchmarking districts and then will outline three models for consolidation.

Benchmarking Analysis

This section will compare staffing trends in the hypothetical Aquidneck Island District to the four benchmarking districts. The analysis uses data from School Data Direct and the National Center for Education Statistics Common Core Data Set (NCES CCD).

Staffing Overview

The comparative staffing analysis below shows that the student to teacher ratio of 11:1 in Aquidneck Island is the lowest of the benchmarking districts. Bristol has the highest student/teacher ratio of 16:1, followed by Stratford (15:1), Attleboro (15:1), and Union (14:1). One should note, however, that the student/teacher ratio as presented here includes all teachers and is not necessarily reflective of actual class configurations. Note that classifications used by School Data Direct (SDD) do not necessarily match the classifications used elsewhere in this report. For example, under SDD classifications, "administrative staff" also includes administrative support staff. For a glossary that explains terms used in this section, please refer to the Appendix.

Table III-8
Total Staff FY 2006

	Bristol	Stratford	Union	Attleboro	Aquidneck
Instructional Staff	693	552	645	522	715
Teachers	566	474	551	414	715
Administrative Staff	94	80	101	73	133
Support Services Staff	366	288	93	79	218
Student:Teacher Ratio	16	15	14	15	11

SOURCE: School Data Direct; RIPEC Calculations

The total number of administrative staff in FY 2006 in Aquidneck Island districts was also higher than the comparison districts. Administrative staff totaled 133 persons in FY 2006 between the three districts, compared to 101 in Union, the next highest district, and 73 in Attleboro, the lowest district of the five. However, support staff in the Aquidneck Island districts was in the middle of the five, at 218, compared to 366 in Bristol and 79 in Attleboro, the highest and lowest, respectively.

To provide a more current picture, total staff by classification was examined for FY 2008 (FY 2009 for the Aquidneck districts). Attleboro data was not available at the time of the analysis. Although the data is organized in a different manner than in the Table III-8, there are similar

Table III-9
Total Staff by Classification - FY 2008*

	Bristol	Stratford	Union	Attleboro	Aquidneck
Total					
Certified	671	584	643	N/A	670
Non-Certified	542	349	324	N/A	318
Administrative	48	45	40	N/A	41
Per Pupil					
Certified	13	13	12	N/A	11
Non-Certified	16	21	24	N/A	23
Administrative	186	166	195	N/A	180

* AI data is for FY 2009; data is not available for Attleboro.

SOURCE: Connecticut and New Jersey DOE; District-provided data; RIPEC calculations

trends. Although Bristol had approximately 1,500 more students than the Aquidneck Island communities, it had only one more certified employee than the combined districts. Stratford, which had a FY 2008 enrollment that was approximately the same as the FY 2009 enrollment in Aquidneck, had 86 fewer certified staff members than the hypothetical district. On a per pupil basis, all three benchmarking communities had a higher ratio than the Aquidneck district. At the same time, the combined non-certified staff across the three Aquidneck districts was lower than all of the benchmarking districts on an absolute basis and was higher than all on a per pupil basis except for Union. The number of administrative personnel in all three benchmarking districts and in the hypothetical district ranged from a low of 40 in Union to a high of 48 in Bristol. Aquidneck had the second-lowest number and ratio of administrative personnel across all the districts.

Salaries and Benefits

An analysis of salaries and benefits displayed in Table III-10 indicates that the Aquidneck Island districts spent more per pupil on both salaries and benefits than any of the benchmarking districts. This is, in part, a function of the low student/teacher ratio in the hypothetical district compared to the benchmarking districts.

Among the benchmarking districts, Stratford had the highest per pupil salaries, whereas Union had the highest per pupil benefit payments. Overall, the hypothetical Aquidneck district, had the second highest salary and wage costs per pupil (behind Stratford) and significantly higher per pupil benefit costs than any of the comparison districts. Per pupil expenditures on salaries and benefits of $9,790 in the hypothetical district were the highest of the five districts, followed by per pupil expenditures of $9,319 in Stratford. Attleboro had the lowest per pupil personnel expenditures at $7,406.

Table III-10
Per Pupil Compensation FY 2006

	Bristol	Stratford	Union	Attleboro	Aquidneck
Salaries and Wages	$6,975	$7,732	$7,273	$6,048	$7,490
Employee Benefit Payments	1,570	1,587	1,772	1,358	2,300
Total Compensation	$8,545	$9,319	$9,044	$7,406	$9,790

SOURCE: School Data Direct; RIPEC Calculations

Another way to examine compensation is on a per FTE basis, which provides a picture of the average salaries and benefits across a district. Of the five districts, Union had the highest average salary and wage costs, spending $68,778 per FTE in FY 2006. Bristol's per FTE expenditures of $54,634 were the lowest average salaries and wages. While the Aquidneck Island district ranked in the middle of the five districts for average salaries, the district had the highest average employee benefit payments in FY 2006. Average benefit costs were $17,274 in the hypothetical district, compared to $16,757 in Union (the second highest). The three remaining districts had average benefit costs ranging from $12,298 in Bristol to $12,513 in Stratford. Total per FTE compensation was the highest in Union and the lowest in Bristol. Average compensation in both Aquidneck and Stratford was approximately $73,500.

Table III-11
Compensation per FTE - FY 2006

	Bristol	Stratford	Union	Attleboro	Aquidneck
Salaries and Wages	$54,634	$60,965	$68,778	$55,615	$56,241
Employee Benefit Payments	12,298	12,513	16,757	12,488	17,274
Total Compensation	$66,932	$73,478	$85,535	$68,103	$73,515

SOURCE: School Data Direct; RIPEC Calculations

Consolidation Opportunities – Models 2-4

When compared to the benchmarking districts, it appears that the three communities collectively have more instructional or certified staff and a lower student/teacher ratio than the benchmarking communities. While there are a number of possible reasons for the lower ratio (student need, minimum class size requirements, etc.) it appears that there is room for staffing reductions if the district were to consolidate. The following models are based on the assumption that consolidation would enable the districts greater freedom to rearrange teachers and students in order to maximize their student/teacher ratios while remaining at or under the ratios outlined in collective bargaining agreements. This analysis recognizes that, even under consolidation, restrictions will remain in place that will prevent the districts from achieving these exact ratios. For that reason, these models are meant to serve as a guide and are for illustrative purposes only.

The following examines three scenarios that are predicated on the following staffing reductions:

- Reducing the number of certified staff based on maintaining the current student/teacher ratio as it would be if the districts were to be combined today (see Table III-12);
- Decreasing the number of certified staff by maintaining the highest student/teacher ratio across the three districts; and
- Maintaining the highest student/teacher ratio and adding administrative and non-certified staff savings.

Model 2 – Rationale and Methodology

As noted above, it appears that consolidation would provide the districts with increased opportunities to reduce personnel and related expenditures above what the districts would be able to do individually. In order to examine the impact of staffing reductions, the model relied on the following methodology:

Staffing Changes: The number of teachers was determined by calculating the student/teacher ratio as it would exist if the districts were combined today and no teachers were dismissed (total enrollment across the island was divided by the total number of teachers), and the ratios were maintained through FY 2014.

- Ratios were calculated for kindergarten students, and for each grade level (elementary, middle and high), as well as for special education. Each district was assumed to have two LEP teachers, while the number of remaining certified staff (nurses, librarians, et al.) was held constant.
    - Projected enrollments were based on district-provided data except for special education, which was estimated to remain at a constant ratio to the total student population.
    - Grade configurations for the hypothetical consolidated district were based on the K-5, 6-8, 9-12 model. Kindergarten students are counted as 1 FTE.

Salary and Benefit Costs: the average per FTE cost for certified staff was calculated using district-supplied data regarding number of staff within each classification and total payroll for each classification. Per FTE benefits were calculated using the total benefits and total FTE count.

- The total reduction in salaries was calculated by multiplying the reduction in teachers by the lowest average certified salary and benefit. Salaries were increased at CPI (the baseline expenditure model for the individual districts).
- The blended rate for benefits was calculated using the same methodology as the individual districts (adjusted for Newport to deduct restricted revenues and excluding OPEB). Non-certified retirement contributions were increased at the MERS rate.

The forecast assumes consolidation in FY 2012. One should note that this forecast DOES NOT account for the current restrictions on student/teacher ratios based on school size, location and condition. That is, the forecast assumes the same number of schools in operation and facilities that are capable of handling projected class sizes.

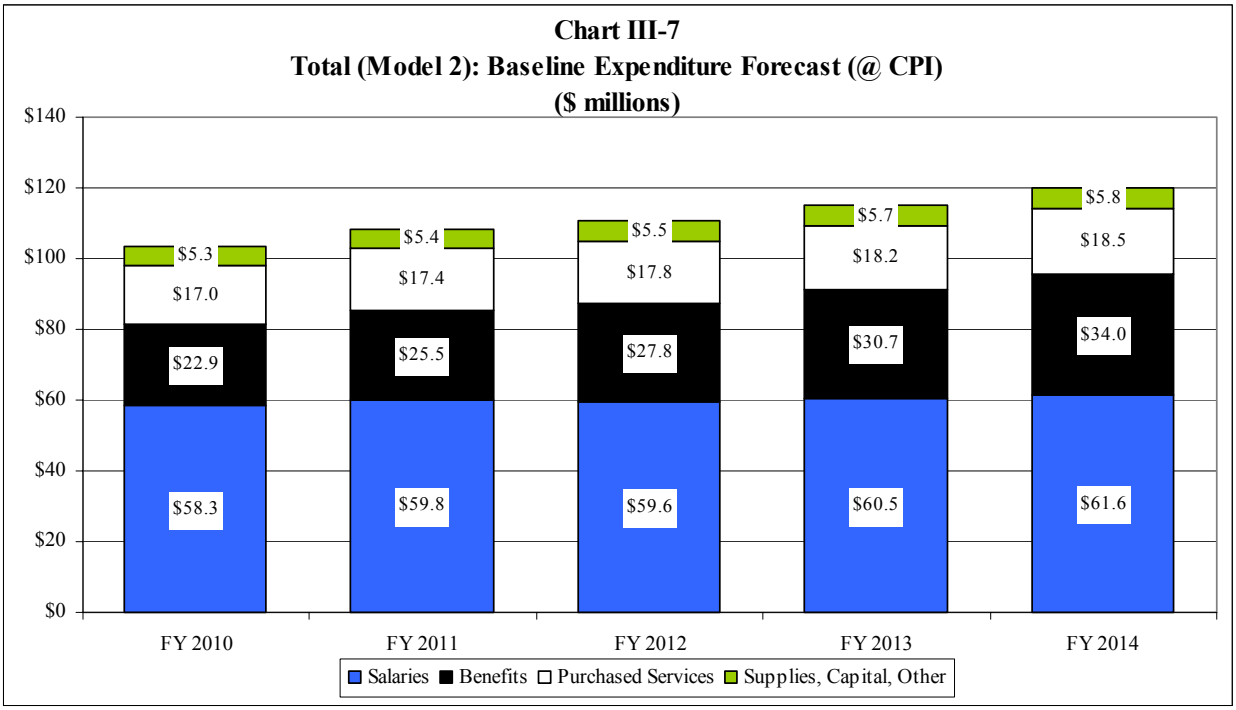
Model 2 – Projected Expenditures by Category

The following discusses the forecasted baseline expenditures in order to facilitate comparisons to Model 1 and to the forecasted revenues.

Under Model 2, expenditures are projected to increase 15.8 percent between FY 2010 and FY 2014 (compared to 19.0 percent under Model 1). In FY 2014, total expenditures are projected to be $119.9 million (compared to $123.2 million in Model 1). As with all prior forecasts, personnel expenditures account for the largest portion of total spending; however, the staffing reductions result in salaries and benefits growing at a slower rate than in Model 1. Whereas salaries were forecasted to increase by 8.8 percent over the five-year period in the first model,

they are expected to grow by 5.6 percent in Model 2. Similarly, benefits under Model 2 are forecasted to increase by 48.7 percent, compared to 55.0 percent in Model 1.

Chart III-7
Total (Model 2): Baseline Expenditure Forecast (@ CPI)
($ millions)



Model 3 – Rationale and Methodology

This model builds on the assumptions outlined above but further increases the student/teacher ratio based on the fact that, for all grade levels included in the analysis (except kindergarten), the combined district ratio was lower than the ratios in the individual districts.

In order to examine the impact of staffing reductions, the model modifies the student/teacher ratio based on the maximum ratio in each district in FY 2009, except for kindergarten, which uses the lowest ratio (20:1). As with Model 2, this forecast assumes that facilities are capable of supporting these arrangements. Table III-12 outlines the student/teacher ratio and total number of teachers in FY 2012, the presumed first year of a consolidated district. These numbers are projected to decrease through FY 2014 as enrollments continue to decline.

Table III-12
FY 2012 Student/Teacher Ratios
and Number of Certified Staff (FTE)

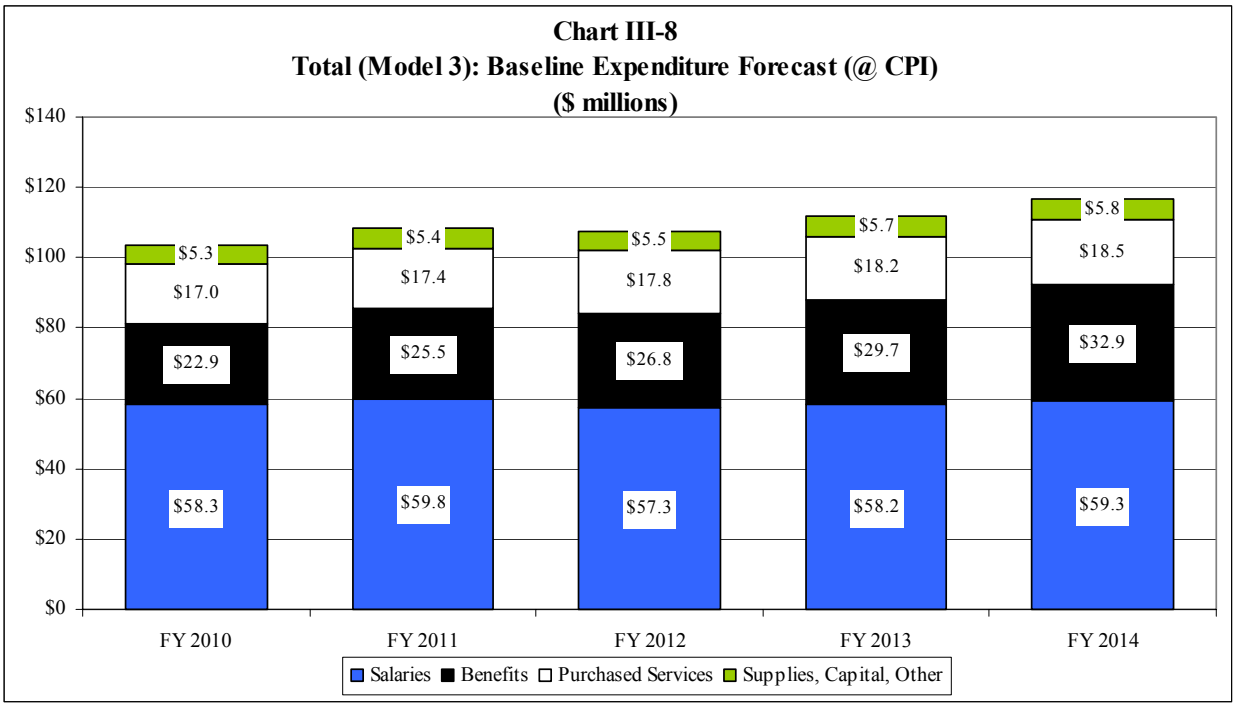
	Model 1		Model 2		Model 3	
	Ratio	Teachers	Ratio	Teachers	Ratio	Teachers
Kindergarten	N/A	19	20	23	20	23
Elementary	N/A	131	19	128	22	113
Middle	N/A	105	18	83	20	77
High	N/A	153	15	146	16	139
Special Ed.	N/A	102	14	93	15	85
LEP	N/A	4	N/A	6	N/A	6
Other*	N/A	155	N/A	155	N/A	155
Total	*10*	*668*	*11*	*635*	*11*	*598*

* Art, Music, PE, Reading, OT, PT, Ed Diag., S. Wkrs, Psy., Speech, Librarians, Guidance Counselors, Nurses, students services, literacy coordinator

NOTE: LEP and "Other" teachers are assumed held constant in models 1-4

Model 3 – Projected Expenditures by Category

Under the assumptions contained in Model 3, expenditures across the three districts are forecasted to increase by 12.5 percent, from $103.5 million in FY 2010 to $116.5 million in FY 2014. This projected increase is 6.5 percentage points lower than the forecasted growth in Model 1, and equates to an estimated savings of $18.5 million between FY 2012 (when consolidation is assumed) and FY 2014. During this time period, salaries are forecasted to increase by 1.7 percent and benefits are expected to increase by 43.6 percent.



Model 4 – Rationale and Methodology

In addition to savings due to reductions in certified personnel, the hypothetical district would also be able to consolidate central office functions, including superintendents, financial services and human services. These additional savings are included in Model 4, along with assumed savings in non-certified staff, using the methodology outlined below:

Staffing Changes: uses the student/teacher ratio outlined in Model 3, includes reductions in special education teaching assistants based on estimated reductions in special education enrollment (held at a constant ratio to the total student population).

Central Administration Changes: eliminates all but one superintendent but retains two assistant superintendents; eliminates all but one director for finance, facilities, student services, technology, athletics, and standards/teaching/learning; and adds back support staff for finance, student services and human resources.

- Salary information for each administrative position was based on FY 2008 data from the Rhode Island Association of School Committees and on department budgets;
- For the superintendent and each director, the highest paid position was retained;
- Benefit savings from eliminated positions were taken at the lowest average rate.

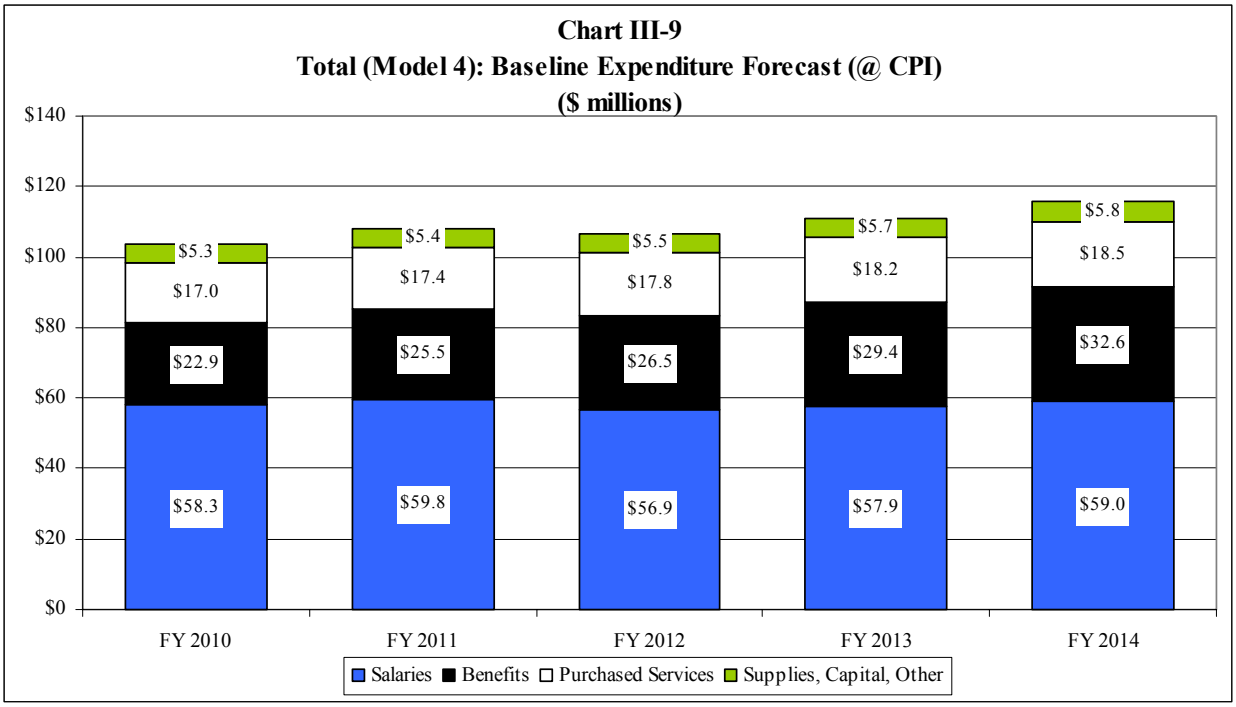
- All support staff salaries that were added back, except for finance, were assumed to equal the highest non-certified pay rate. Support staff for finance was added back at a slightly higher rate based on district budgets.
- The model adds back $500,000 to account for the potential need to hire back additional staff.

The model does not assume any savings in purchased services, supplies, capital or other expenses relating to the closure of central administration offices.

Model 4 – Projected Expenditures by Category

The fourth model projects expenditures to increase from $103.5 million in FY 2010 to $115.8 million in FY 2014. This represents total growth of 11.9 percent during the time period. Estimated annual savings, when compared to Model 1, grow from $6.3 million in FY 2012 to $7.4 million in FY 2014. Over the three years that the district is assumed to be consolidated, total savings are estimated to be $20.6 million. Between FY 2010 and FY 2014, salaries are projected to grow by 1.1 percent and benefits are forecasted to grow by 42.3 percent.

Chart III-9
Total (Model 4): Baseline Expenditure Forecast (@ CPI)
($ millions)

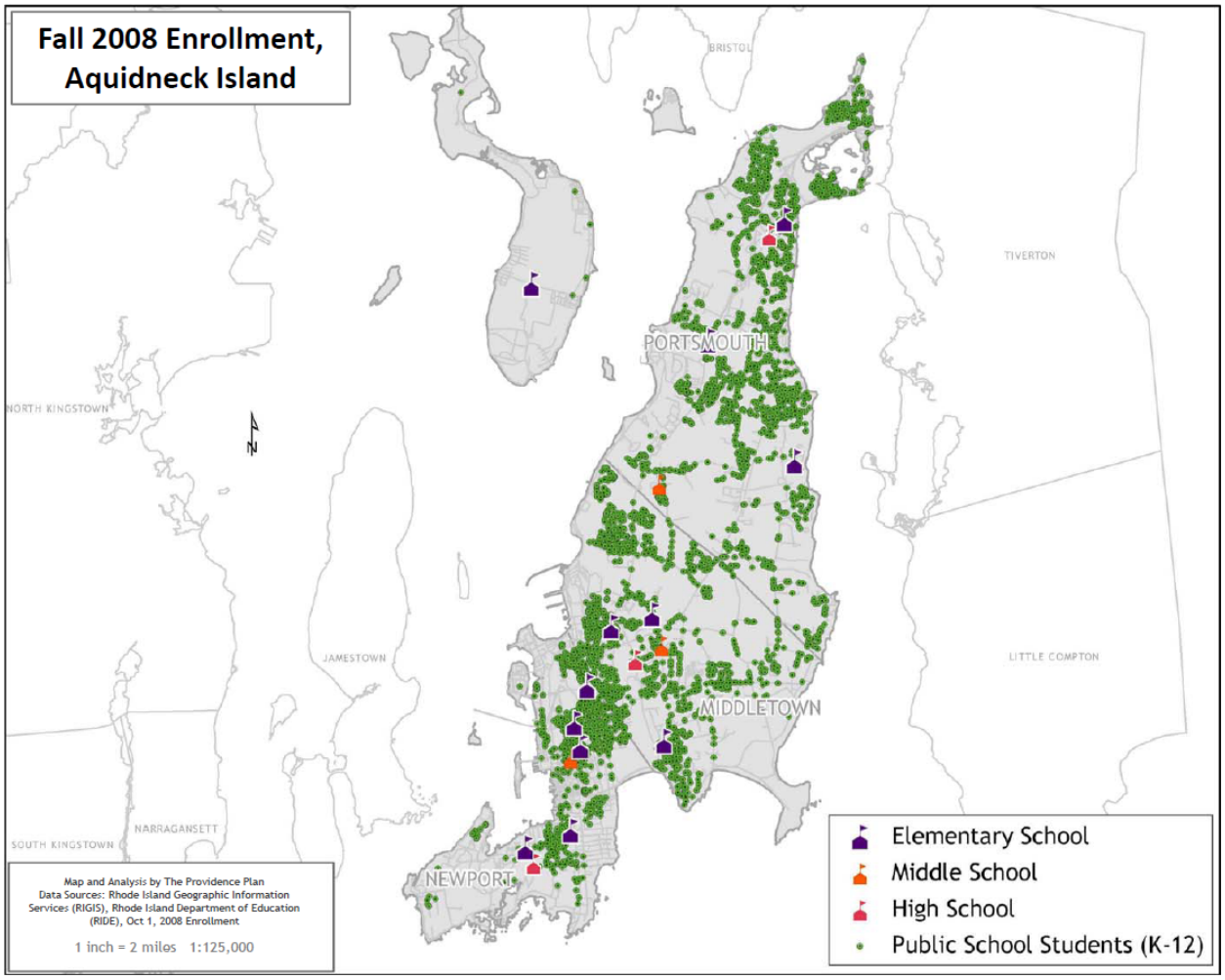


Regional District Snapshot: Capacity Analysis and Models 5-6

A capacity analysis was developed by RIPEC with the assistance of an outside consultant and in conjunction with the Providence Plan. The following section begins with an overview of the Island and then uses district-provided facility reports and RIDE enrollment data, providing a preliminary analysis of current district capacity and an examination of potential consolidation opportunities. The section provides models, similar to those in the prior sections, which examine the potential cost-savings if the districts were to close a high school and a middle school. Finally, this section also includes an overview of each district's current capital plans and provides a capital plan forecast based on each district's current plans

Overview and Benchmarking Analysis

Aquidneck Island is approximately 16 miles long with a total area of 85.7 square miles (44.1 square miles of land). In FY 2009, there were a total of 7,382 students enrolled in the three districts on the Island. These students attended a total of 17 schools: 11 elementary schools, three middle schools and three high schools.



Of the three Aquidneck Island communities, Portsmouth covers the largest geographic area, with 23.2 square miles of land. As a result, while its enrollment is the highest of the three districts, Portsmouth has the lowest number of students per square mile (125 per square mile). Similarly, at 7.9 square miles, Newport was the most dense of the districts, with 264 students per square mile in FY 2009. The entire island had 167 students per square mile in FY 2009. All three Aquidneck Island districts, and the Island as a whole, had a lower population density than all of the selected benchmarking communities. In FY 2009, it is estimated that students per square mile ranged from 216 per square mile in Attleboro, Massachusetts to 847 per square mile in Union Township, New Jersey.

Table III-13
Students Per Square Mile and Per Pupil Transportation Expenditures

	Geography (sq. mi.)			Enrollment		Students per sq. mi.		PP Transport.
	Total	Water	Land	FY 2006	FY 2009*	FY 2006	FY 2009*	Expend, FY 06
Middletown	15.0	2.0	13.0	2,504	2,378	193	183	$377
Newport	11.5	3.5	7.9	2,449	2,096	309	264	445
Portsmouth	59.3	36.1	23.2	3,051	2,908	131	125	414
Total	85.7	41.6	44.1	8,004	7,382	181	167	$412
Bristol, CT	26.8	0.3	26.5	9,036	8,807	341	332	$489
Stratford, CT	19.9	2.3	17.6	7,250	7,390	412	420	562
Attleboro, MA	28.3	0.8	27.5	6,196	5,939	225	216	354
Union Township, NJ	9.1	0.0	9.1	7,935	7,728	870	847	638

* Benchmarking district projections based on a five-year average change
SOURCE: US Bureau of the Census, RI Deparment of Education, NCES, School Data Direct, RIPEC calculations

As Table III-13 illustrates, transportation costs are not linked to the density of the student population per se. Union, the most densely populated district, also had the highest per pupil transportation cost in FY 2006 (the most recent year for which comparable data was available). Union's per pupil transportation expenditures of $638 were approximately 45 percent higher than the combined Aquidneck per pupil expenditures of $412.

Table III-14
Total Number of Schools, FY 2008

	Bristol	Stratford	Attleboro	Union	Aquidneck
Elementary*	10	8	5	7	11
Middle	3	2	3	2	3
High	2	2	1	1	3
Other**	2	-	-	-	-

* Newport will close Carey after this school year and Middletown will close JFK; Union has 6 K-4 schools and 1 5th grade only school; Stratford is K-6; Attleboro is K-4
** Bristol also operates an alternative special needs and preschool.
SOURCE: Connecticut, Massachusetts, New Jersey, Rhode Island Departments of Education

In FY 2008, there were 11 elementary schools, three middle schools and three high schools in operation on the Island. This was comparable to Bristol, CT, which operated 10 elementary schools (plus one preschool); three middle schools; and two high schools (plus one special needs alternative school). At the same time, there was more than double the number of elementary schools in operation on Aquidneck when compared to Attleboro, which only operated five. Of the benchmarking districts, both Bristol and Attleboro had three middle schools while Stratford and Union operated two. Bristol and Stratford both had two high schools in FY 2008, while Attleboro and Union each operated one.

When enrollment is examined by educational level, Bristol's enrollment was the highest across all the benchmarking districts in FY 2008, consistent with the district having the highest enrollment of the benchmarking communities. Bristol is also the only district in the analysis with a K-5, 6-8, 9-12 grade configuration, which is the configuration assumed for the consolidated Aquidneck Island district. Stratford had the lowest middle school enrollment because the district's middle schools consist of just two grades. Similarly, Attleboro had the lowest elementary enrollment, but one should note that the district operates on a K-4 model.

Table III-15
Enrollment by Educational Level, FY 2008

	Bristol	Stratford	Attleboro	Union	Aquidneck
Elementary	4,077	3,878	2,318	2,550	3,322
5th	-	-	-	559	-
Middle	2,039	1,139	1,858	1,709	1,827
High	2,806	2,366	1,813	2,417	2,384
Other**	-	-	-	658	-

* Aquidneck total reflects PK-5; 6-8; 9-12 configuration; Union has 6 K-4 schools and 1 5th grade only school; Stratford is K-6; Attleboro is K-4

** Union counts ungraded students in a separate category.

SOURCE: Connecticut, Massachusetts, New Jersey, Rhode Island Departments of Education

Table III-16
Enrollment by School
FY 2007 - FY 2009

District	School	FY 2007	FY 2008	FY 2009
Elementary				
Middletown	Aquidneck*	337	309	314
	Forest Avenue*	276	274	294
	Kennedy School*	344	334	359
Newport	Carey School	164	150	139
	Coggeshall	209	210	187
	Crans.- Calvert	287	260	238
	Sullivan School	231	249	258
	Underwood	165	160	154
Portsmouth	Elmhurst School	329	393	370
	Hathaway School	365	452	433
	Melville School	306	326	352
Middle				
Middletown	Gaudet School*	755	749	746
Newport	Frank E. Thompson	534	512	493
Portsmouth	Portsmouth Mid.	947	719	662
High				
Middletown	Middletown High	682	674	643
Newport	Rogers High	647	634	585
Portsmouth	Portsmouth High	1,085	1,039	1,046
Total				
	Middletown	*2,394*	*2,340*	*2,356*
	Newport	*2,237*	*2,175*	*2,054*
	Portsmouth	*3,032*	*2,929*	*2,863*

NOTE: School enrollment counts do not match totals for district enrolmment counts. Both are from October 1 Enrollment.

* Middletown elementary schools are PK - 4, middle schools are 5-8

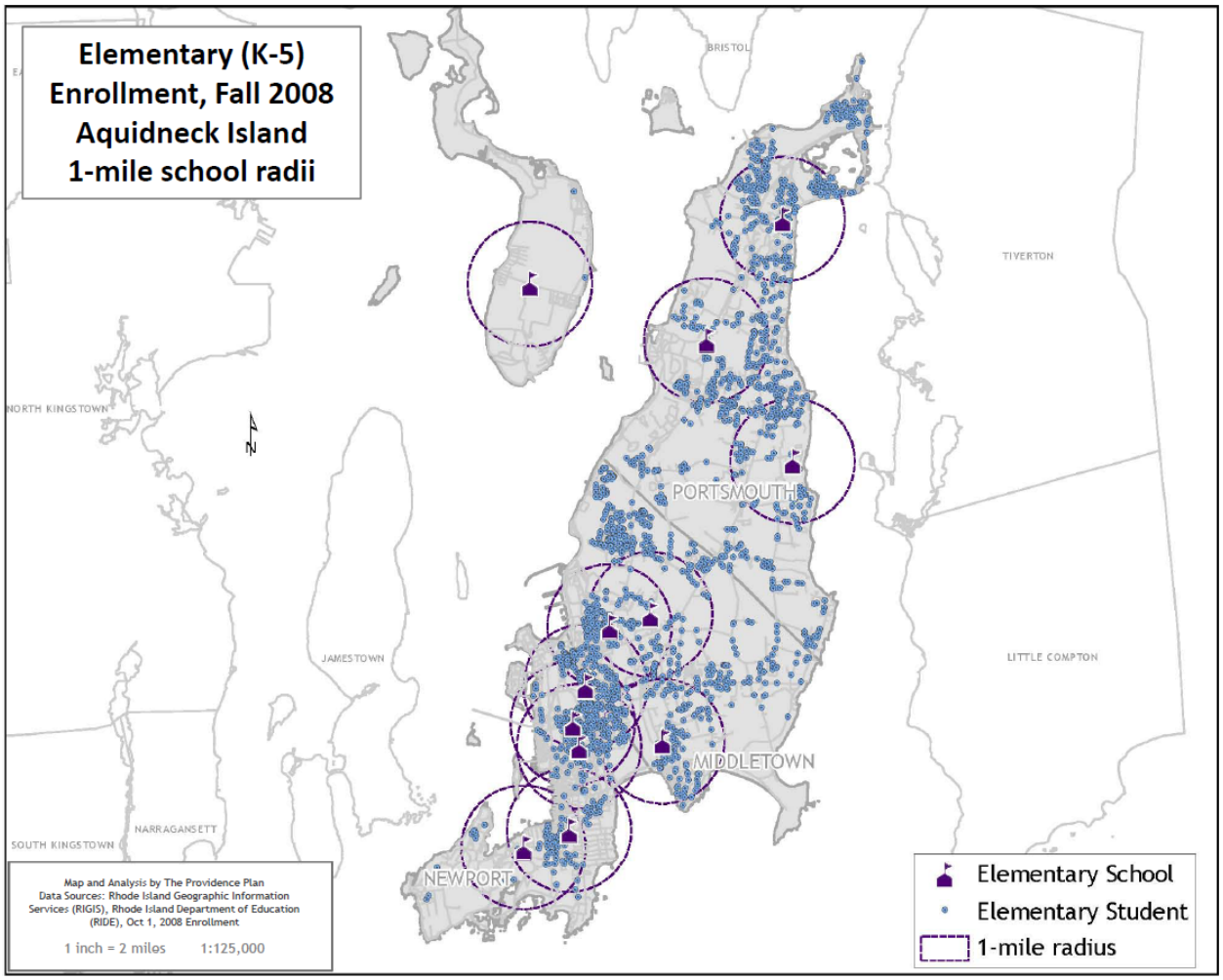
SOURCE: RI Department of Education

As noted above, there are currently 17 schools in operation on the Island. Each district operates one high school and one middle school. There are three elementary schools in Middletown, five in Newport and three in Portsmouth. All three districts have seen enrollment declines at the middle and high school level since FY 2007, while enrollment has increased in some of the elementary schools.

One should note that Kennedy School in Middletown and Carey School in Newport will close at the end of the 2008-2009 academic year (FY 2009). Currently, Middletown has a K-4 and 5-8 grade configuration, which Newport is considering for future years. Middletown will move to a K-3 model for their elementary schools and will house grades 4-8 at Gaudet starting in academic year 2009-2010 (FY 2010).

Elementary Schools

The map below shows student and school location, and a one-mile radius from each school. Although the map shows an elementary school located on Prudence Island, this school is slated for closure and is not included in this analysis.



The accepted standard for the life cycle of school buildings is 50 years and the life cycle for the systems within the building (heating, plumbing, electrical, etc.) is generally accepted as 20 to 25 years. Other specialty systems/spaces (life/safety, technology, science labs, technical career labs, etc.) require more frequent upgrading. Of the 11 elementary school current active on Aquidneck Island, three are older than 100 years, four are older than 50 years and four are older than 40 years. Forest Avenue School in Middletown has undergone the most recent renovations (2008), followed by Melville Elementary in Portsmouth (2005). Based on district-provided facility analysis and independent review of these reports, the majority of the schools are in fair to poor condition.

All 11 of the elementary schools were under the district-provided capacity levels in the current school year. District-wide, Middletown had total excess capacity of 188 students, Newport had total excess capacity of 516 students and Portsmouth had total excess capacity of 169 students.

Assuming current enrollments, Middletown would be over district capacity after closing Kennedy. However, beginning in the FY 2010 school year, fourth graders will be housed on the Gaudet site. Across the entire Island, there is currently excess capacity of 873 students. Including all school closures, there would be a current capacity shortfall of 293 if enrollments were maintained and there was no grade reconfiguration.

Table III-17
Elementary School Facility Analysis

School Name	Grades Housed	Year Built**	Total Square Feet	Site Size (Acre)	Facility Condition	Approx Value	Enroll	Building Capacity	Sq Ft / Student	RIDE Sq Ft/Student
Middletown										
Aquidneck	K-4	1954 / 2004	41,400	10.6	Fair/Good	$3,936,966	314	420	132	175
Forest Ave	K-4	1957 / 2008	43,000	10.0	Fair/Good	$4,819,440	294	375	146	180
John F Kennedy*	K-4	1964 / 2004	35,000	2.8	Fair/Good	$4,541,670	359	360	97	175
Newport										
Carey*	K-5	1896	26,988	0.8	Poor	$2,452,700	139	220	194	180
Coggshell	K-5	1897	44,545	2.2	Poor	$2,796,400	187	242	238	180
Cranston-Calvert	K-5	1876	33,093	1.0	Poor	$2,536,800	238	374	139	180
Sullivan	PK-5	1955 / 1969	38,750	8.6	Fair	$2,915,200	258	416	150	180
Underwood	K-5	1962	15,203	6.4	Fair	$2,154,300	154	240	98	180
Portsmouth										
Elmhurst	PK-5	1964 / 1999	71,238	38.0	Poor	$5,057,000	370	467	192	173
Hathaway	PK-5	1951 / 2003	50,145	10.8	Fair	$5,517,000	433	463	116	168
Melville	PK-5	1965 / 2005	44,810	3.6	Fair	$6,309,000	352	394	127	180
TOTALS			**444,172**				**3,098**	**3,971**	**143**	

* Indicates schools slated for closure or possible closure at the end of the academic year.
** The second year reflects the most recent building renovations.
SOURCE: District-provided facility reports; RI Department of Education; third-party analysis.

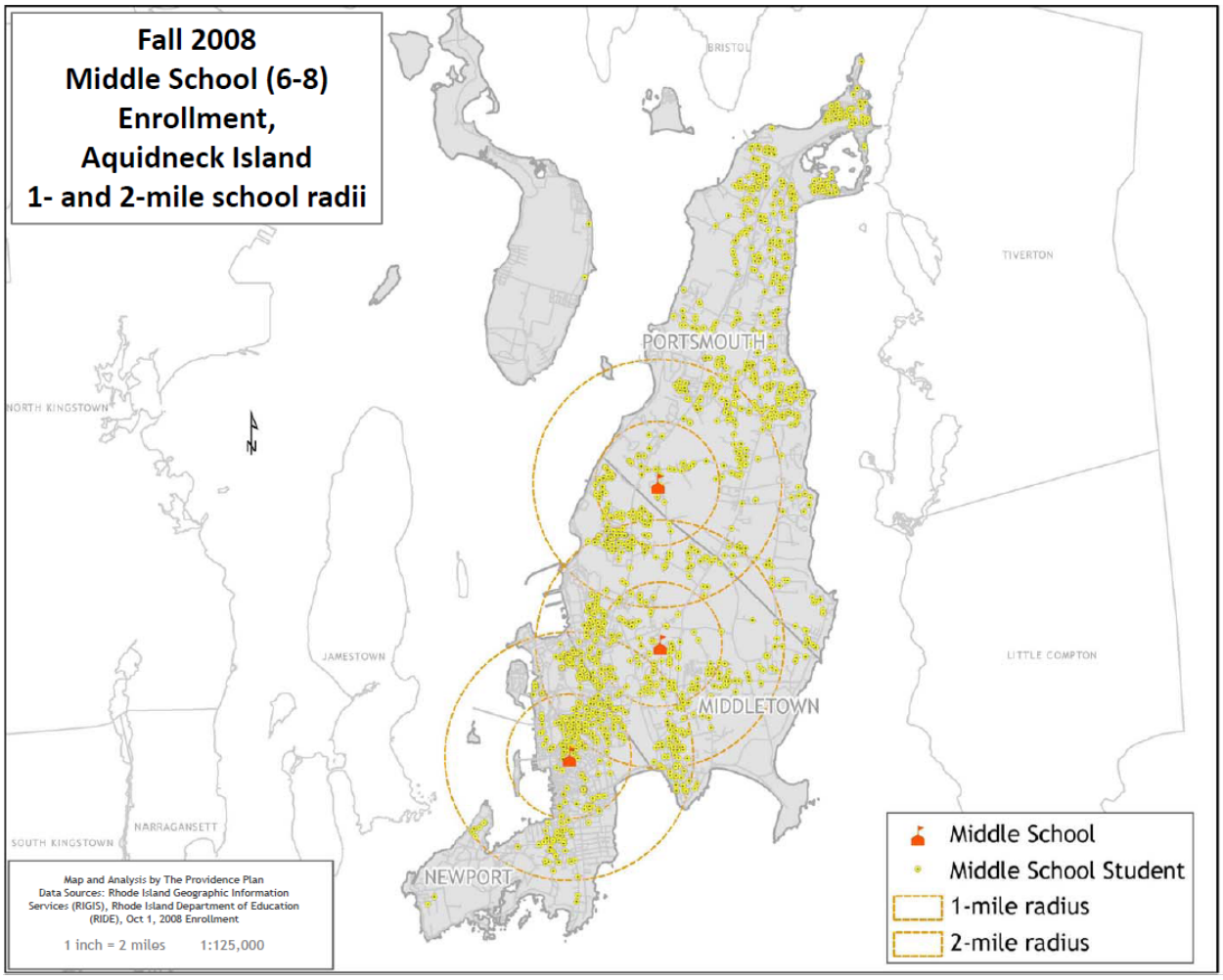
While capacity analysis is driven by "seat" capacity, it also needs to consider adequacy of related educational and support space necessary to meet a basic educational adequacy standard. Often, the gross square footage of older buildings may appear adequate but the allocation of spaces does not support 21st Century learning environments. At this time, there is insufficient data available to determine the current capacity of each school facility using one uniform standard although each district has put forward capital plans intended to enhance the quality of the learning environment in their schools.

RIDE's regulations governing the design and construction of school facilities establish space standards that support a 21st Century learning environment basic education adequacy standard. Below is an analysis of current enrollments, in conjunction with current facility square footage in comparison to the elementary school space standards in RIDE's current regulations. It should be noted that the RIDE space standards only apply to new construction and are shown here only as a guide.

1. Existing 444,172 square feet, serving enrollment of 3,098 equals 143 square feet/student.
2. The square footage per student for eight of 11 schools fall below RIDE's space standard, which ranges from 168 square feet/student to 180 square feet per student.

Middle Schools

Aquidneck Island has three middle schools that supported a total enrollment of 1,901 students in the 2008-2009 academic year. The map below shows school and student location with one and two mile radii from each school.



There is a wide range in age and quality of the three middle schools on the Island. Thompson Middle School in Newport is the newest, with a completion data of 2002, and is in the best condition. Gaudet Middle School in Middletown is the oldest of the three schools (completed in 1968), although the facility underwent renovations in 2004, and was rated in fair to good condition. Portsmouth Middle School, which was built in 1971, was rated as fair.

As with the elementary schools, all three middle schools are under the district-provided building capacity: the analysis indicates that there was excess capacity of 915 students across all three districts in the current academic year. Both Thompson and Portsmouth Middle were under 65 percent of the stated capacity, while Gaudet was at approximately 75 percent of the reported capacity. However, this assumes no changes to grade/school configuration related to school closures. In contrast to the elementary schools, all three middle schools were under the RIDE guidelines for per student square footage. The existing 400,800 square feet serving enrollment of 1,901 equals 210 square feet/student.

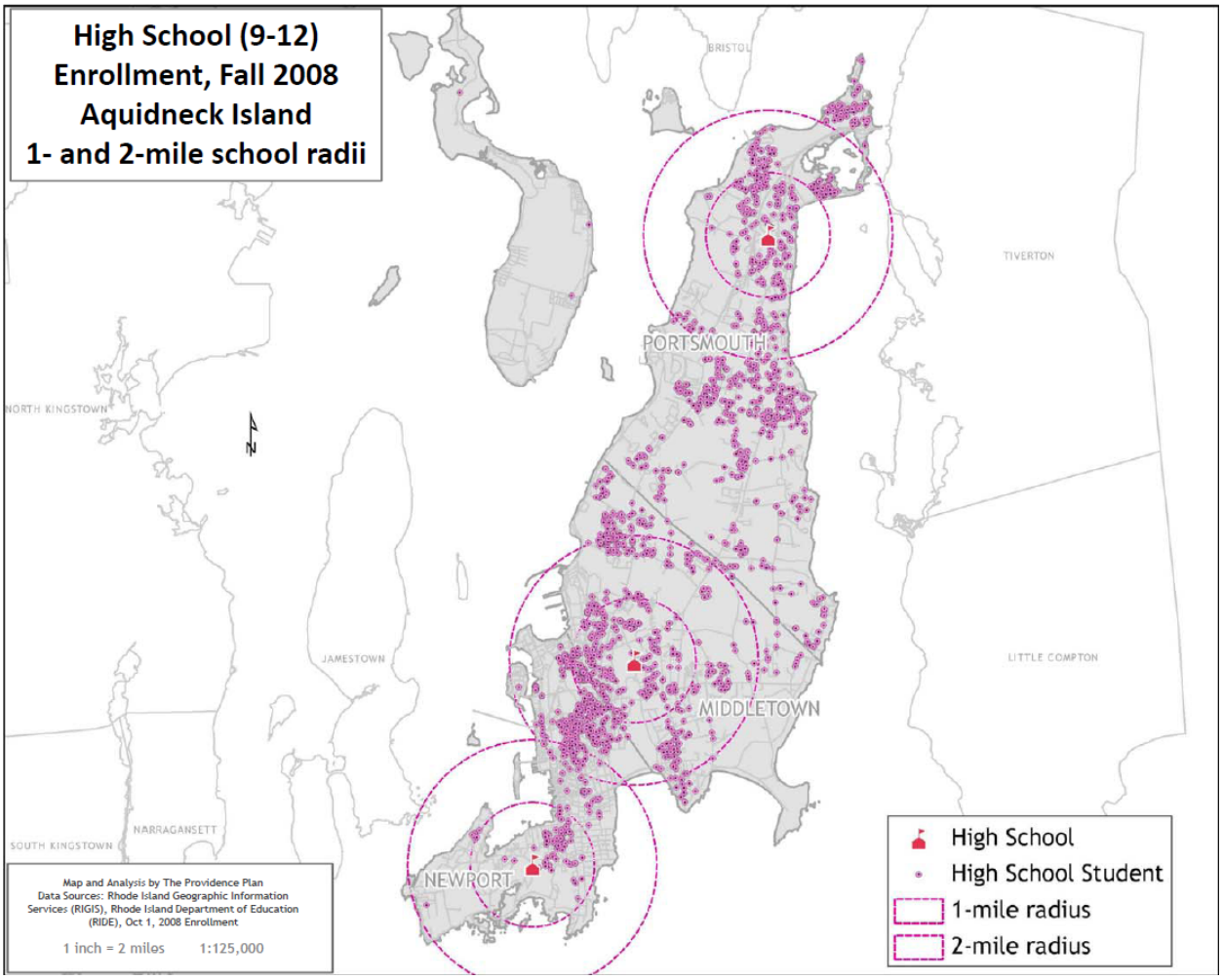
Table III-18
Middle School Facility Analysis

School Name	Grades Housed	Year Built	Total Square Feet	Site Size (Acre)	Facility Condition	Approx Value	Enroll	Building Capacity	Sq Ft / Student	RIDE Sq Ft/Student
Gaudet	5-8	1968 / 2004	140,000	33.0	Fair/Good	$16,667,532	746	1,000	188	160
Thompson	6-8	2002	112,000	1.9	Excellent	$23,344,700	493	760	227	183
Portsmouth MS	6-8	1971	157,800	37.0	Fair	$19,006,000	662	1,056	238	168
TOTALS			**400,800**				**1,901**	**2,816**	**211**	

SOURCE: District-provided facility reports; RI Department of Education; third-party analysis.

High Schools

Aquidneck Island has three high schools and one area vocational school, run by Newport Public Schools that supported a total enrollment 2,274 students in the 2008-2009 academic year. The map below shows school and student location and one and two mile radii from each school



The three high schools on the Island range in age from 50 years old (Rogers High School) to 46 years old (Portsmouth High School) and generally were rated as fair except for Middletown High School which was rated as fair to good. Rogers High School also houses the Newport Area Career and Technical Center (NACTC), a regional vocational institution. As noted earlier in the enrollment analysis, students enrolled at NACTC for whom testing is the responsibility of Newport Public Schools are counted in the enrollment for Rogers High School; however, this number may not capture all students attending classes at NACTC (and thus Rogers). The facility is listed separately in Table III-19, although in the analysis that follows Rogers and NACTC are treated as one entity.

Table III-19
High School Facility Analysis

School Name	Grades Housed	Year Built	Total Square Feet	Site Size (Acre)	Facility Condition	Approx Value	Enroll	Building Capacity	Sq Ft /Student	RIDE Sq Ft/Student
Middletown HS	9-12	1961 / 2004	130,000	22.5	Fair/Good	$16,098,516	643	920	202	202
Rogers	9-12	1959	160,000	40.0	Fair	$15,613,800	585	1,000	274	204
Rogers - Vocational	9-12	1959	36,825		Fair			200		225
Portsmouth HS	9-12	1963 / 2006	193,550	42.0	Fair	$1,721,000	1,046	1,250	185	186
TOTALS			**520,375**				**2,274**	**3,370**	**229**	

SOURCE: District-provided facility reports; RI Department of Education; third-party analysis.

All three high schools are currently operating below capacity. Rogers High School in Newport had the lowest enrollment to capacity ratio of 48.8 percent, while Portsmouth High School had the highest enrollment to capacity ratio (83.7 percent). Middletown High School had 277 extra seats based on capacity and enrollment, indicating that the school was operating at approximately 70 percent of capacity. Across all three high schools there was excess capacity of 1,096 in the current year.

Middletown is on par with RIDE's recommended square footage standards, Portsmouth High School is slightly below the recommended standards (185 square feet per student v. 186 recommended) and Newport is significantly above the recommendations (274 square feet per student v. the RIDE standard of 204/225 square feet per student). The total existing square footage of the three schools totals 483,550 serves an enrollment of 2,274, equaling 229 square feet per student, which also exceeds RIDE's space standards.

Capacity Projections

This projection assumes closure of Kennedy, Carey and Elmhurst Elementary Schools and no new construction or expansion. Grade configurations are: K-3 and 4-8 in Middletown; K-4 and 5-8 in Newport; and K-5 in Portsmouth. Pre-K enrollment is not included.

Based on district-reported data and the above capacity numbers, there is projected capacity in all districts at all grade levels except for Portsmouth elementary schools in FY 2014. Although Portsmouth elementary schools are projected to be over-capacity in FY 2014, the entire Island is

expected to be under-capacity by 625 seats. All of the excess capacity is from Newport, with is projected to have 636 extra seats in FY 2014. The excess capacity in Middletown is approximately offset by Portsmouth. As noted in the earlier section, there is currently 444,172 square feet across all 11 elementary schools. Based on the outside consultant analysis, which relied on RIDE's recommended space standards, 466,604 square feet would be required.

At the middle school level, all districts are projected to be below their stated capacity, ranging from 130 below capacity in Middletown to 477 below capacity in Portsmouth. Newport is projected to have excess capacity of 237 students. Among all three middle schools there is projected to be 844 excess seats in FY 2014. Currently, there is 400,800 square feet at the middle school level among the three districts. Based upon enrollment projections and RIDE's space standards, 240,000 Sq Ft would be required in FY 2014.

Using current capacity numbers and projected enrollments, there will be an estimated 1,361 excess seats across all three districts at the high school level in FY 2014. As with elementary schools, the majority of this extra space is from Newport, which is projected to have an enrollment of 448, and a capacity of 1,200. However, both Middletown and Portsmouth are estimated to be below capacity by approximately 300 students each in FY 2014. Currently, total square footage across all the districts totals 483,550. Using enrollment projections and RIDE's space standards, it is estimated that 370,000 square feet would be required in FY 2014.

Table III-20
Projected FY 2014 Enrollment and Capacity

	Middletown		Newport		Portsmouth		Total	
	Enroll	Capacity*	Enroll	Capacity*	Enroll	Capacity*	Enroll	Capacity*
Elementary**	657	795	636	1,272	1,006	1,324	2,299	3,391
Middle	870	1,000	523	760	579	1,056	1,972	2,816
Secondary	606	920	448	1,200	955	1,250	2,009	3,370
Total	*2,133*	*2,715*	*1,607*	*3,232*	*2,540*	*3,630*	*6,280*	*9,577*

* Capacity assumes closure of Kennedy and Carey elementary schools at the end of the 2008-09 academic year.

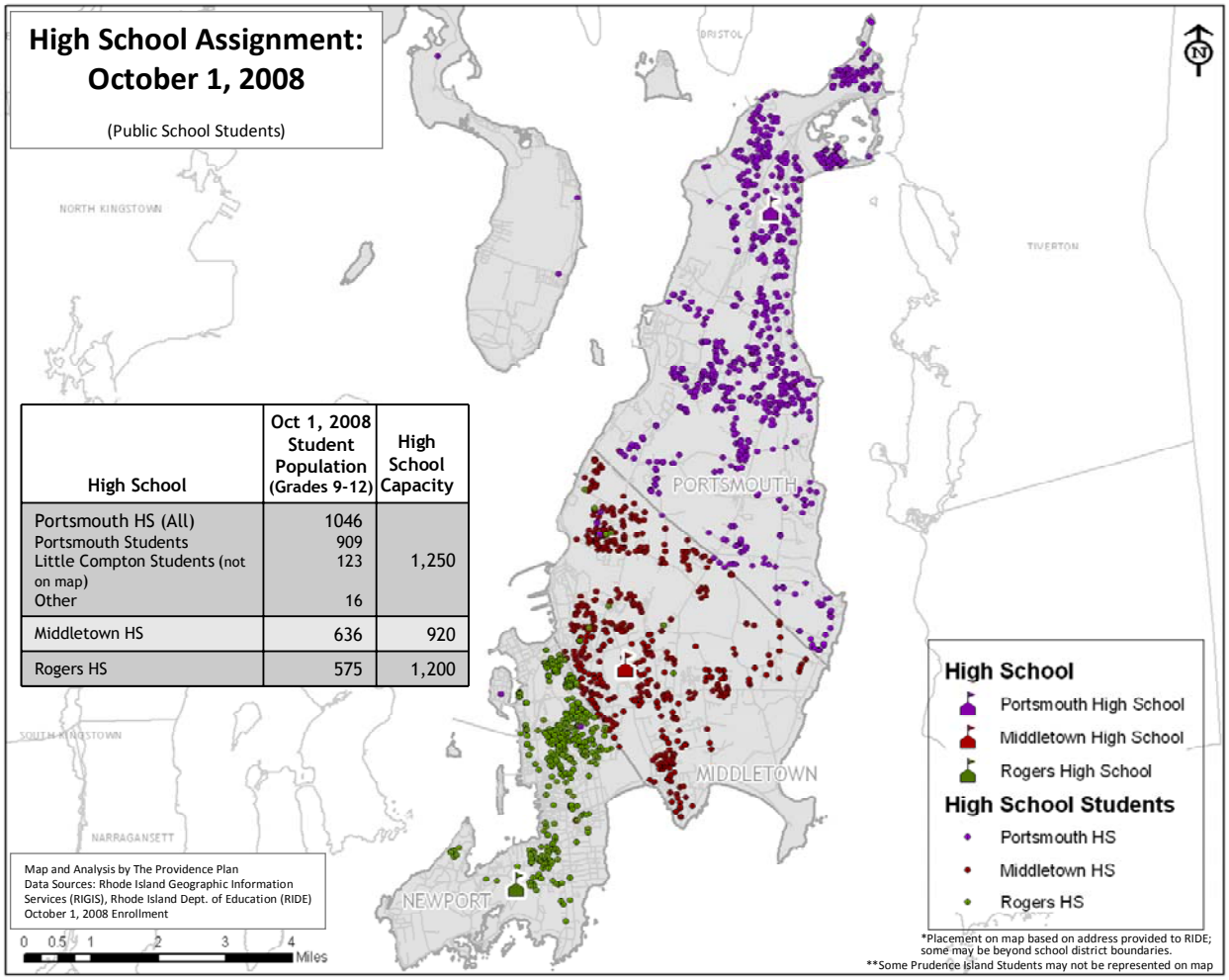
** Middletown Elementary is K-3; Newport is K-4; Portsmouth is K-5, kindergarten students count as .5 FTE; totals exclude pre-K programs

Consolidation Opportunities – Models 5 and 6

As shown in the analysis above, there is currently excess capacity across all three districts, which is projected to increase in the out-years. In addition, the districts currently operate more schools than do the other benchmarking districts, even accounting for the different grade configurations. Using this analysis as a starting point, two additional models were created to show potential savings if the districts were to close schools. Mapping data was provided by The Providence Plan and is for illustrative purposes only. *These maps do not constitute a RIPEC recommendation as to a specific school closure and are for illustrative purposes only*. A review of district capital plans is provided in the next section.

Model 5 – Rationale and Methodology

Based on the capacity analysis and enrollment data provided by the districts, Model 5 assumes the closure of one high school in FY 2012. The map below shows the current student location, total enrollment and school capacity for the three high schools on the Island, using October 1 enrollment data from RIDE. Although Little Compton students are not shown on the map, they are included in the total enrollment count. In order to provide an illustration only of the feasibility of eliminating one high school, the analysis removed Middletown High School and calculated student enrollment in the two remaining high schools if enrollments and student location were to remain the same.



High School	Oct 1, 2008 Student Population (Grades 9-12)	High School Capacity
Portsmouth HS (All) Portsmouth Students Little Compton Students (not on map) Other	1046 909 123 16	1,250
Middletown HS	636	920
Rogers HS	575	1,200

Based on this analysis, which uses a five mile radius from Newport and a six mile radius from Portsmouth, Rogers High school would have approximately 231 extra seats (including the NACTC enrollments), while Portsmouth would be over capacity by two students. There were 44 students who were outside of the designated boundaries; however, given the excess capacity at Rogers, there would still be space to house these students. While it is not possible to map student location using the projections, district-provided enrollment data indicates that all three districts are projected to see a continued decline in their student population.

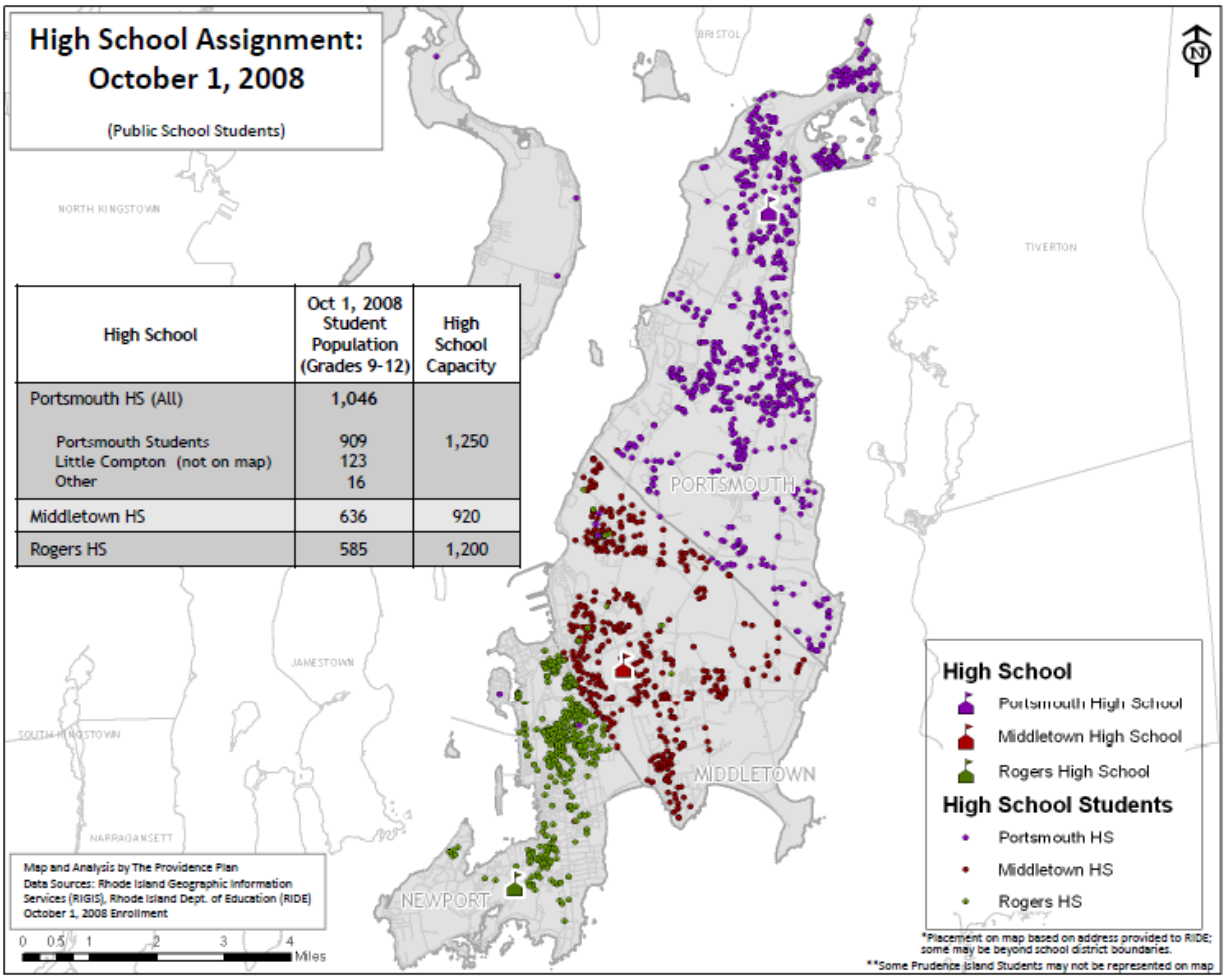


Table III-21 shows the high school facility analysis including square footage per student. Enrollment for FY 2012 was calculated by apportioning the projected enrollment decline in Middletown by the share of Middletown High School students that would be reassigned to Rogers and Portsmouth. Based on these calculations, Rogers would be 21.5 percent under the building capacity (including NACTC), while Portsmouth High School would be slightly over capacity. Based on this analysis, there would be 40 teachers assigned to Rogers and 71 to Portsmouth (exclusive of other certified personnel including nurses and librarians).

Table III-21
High School Facility Analysis - FY 2012

School Name	Grades Housed	Year Built	Total Square Feet	Site Size (Acre)	Facility Condition	Approx Value	Enroll	Building Capacity	Act Sq Ft /Student	RIDE Sq Ft/Student
Rogers	9-12	1959	160,000	40.0	Fair	$15,613,800	942	1,000	209	204
Rogers - Vocational	9-12	1959	36,825		Fair			200		225
Portsmouth HS	9-12	1963 / 2006	193,550	42.0	Fair	$1,721,000	1,256	1,250	154	186
TOTALS			**390,375**				**2,198**	**3,370**	**178**	

SOURCE: District-provided facility reports; RI Department of Education; third-party analysis.

This model continues to build on the assumptions outlined in Model 4, retaining estimated staff and central office changes. The student/teacher ratio for high school students was increased to 20:1 and eliminates/retains the following additional positions:

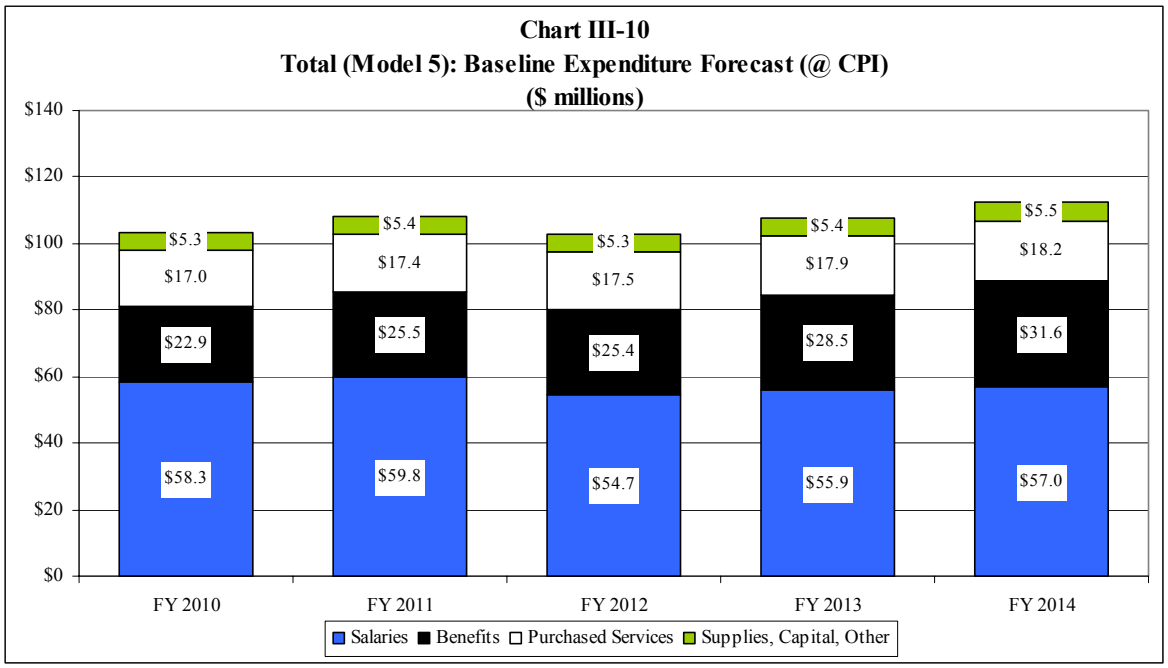
Principal (1 – Admin; Retains 1)	Nurse (1 - Cert)
Librarian (1 - Cert)	Guidance (1 – Cert; Retains 1)
Clerical (5 – Non-cert)	Custodians (2 – Non-cert; Retains 2)

All positions that were eliminated used the lowest average per FTE salary based on classification, as well as the lowest per FTE benefit cost, outlined in the earlier sections. There were no salaries or benefits added back as it was assumed that retained positions would remain at their current pay rate. The model also retains the $500,000 that was added back in Model 4.

The model also includes additional operations savings (e.g. fuel, physical plant maintenance, some supplies), but maintains expenditures on most educational materials (e.g. textbooks and teaching supplies). Estimated savings are approximately $520,000 in FY 2009; savings are inflated using CPI as in all other models and applied to FY 2012 estimated expenditures.

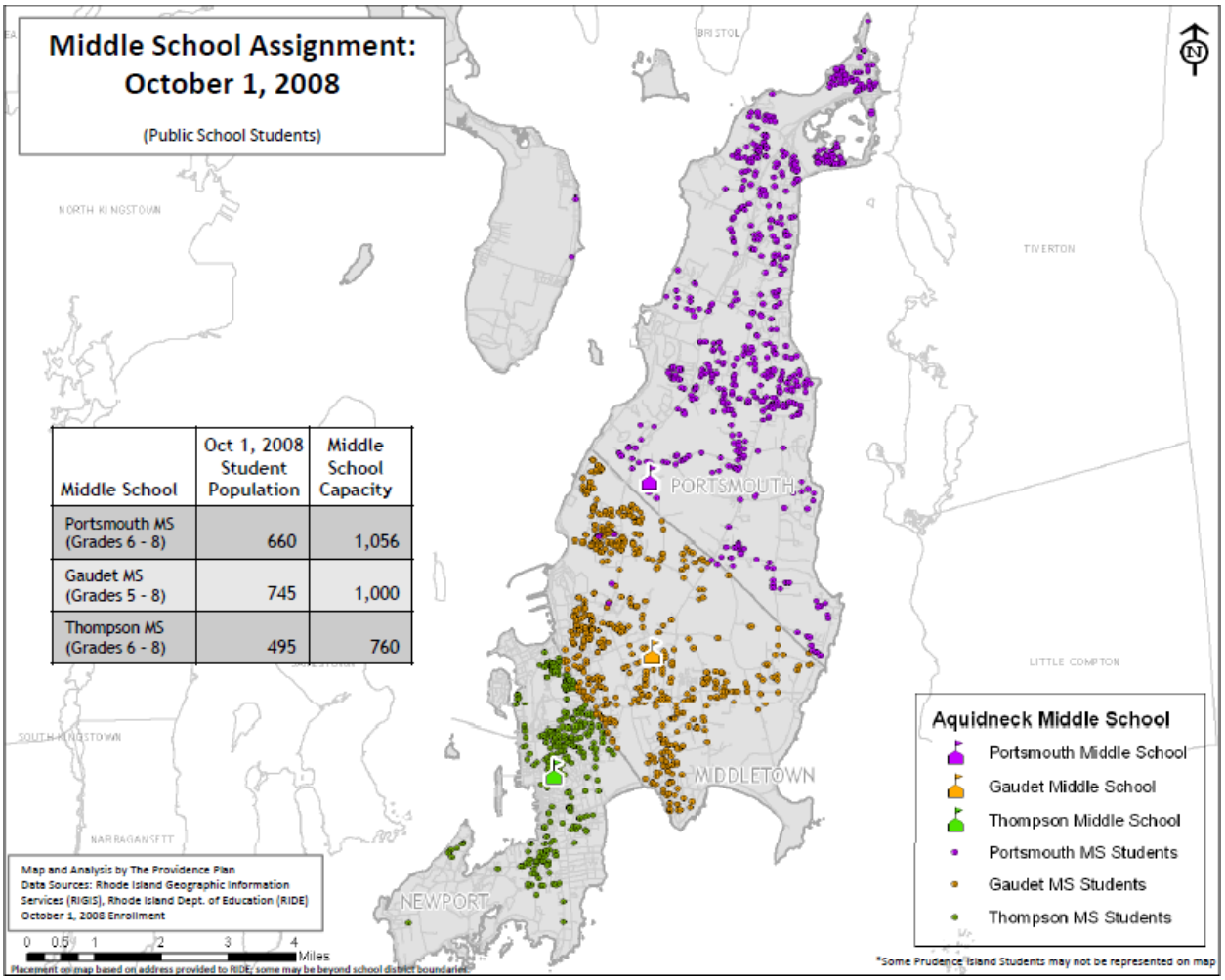
Model 5 – Projected Expenditures

Under the assumptions in Model 5, expenditures in the hypothetical Aquidneck Island district are projected to increase from $103.5 million in FY 2010 to $112.4 million in FY 2014. This translates into an estimated rate of increase of 8.6 percent, which is less than half the forecasted rate of increase in Model 1 of 19.0 percent. As with the prior models, the majority of the estimates savings relate to salaries and benefits, which are projected to decrease by 2.2 percent and increase by 38.1 percent, respectively. Because the forecast assumes the closure of a school, there are some anticipated savings in purchased services, supplies, capital and other expenditures in addition to the personnel savings. Over the life of the forecast, this model is expected to save the districts a combined total of $31.1 million when compared to Model 1.



Model 6 – Rationale and Methodology

Based on the capacity analysis and enrollment data provided by the districts, Model 6 assumes the closure of one middle school in addition to the closure of a high school. The map below shows the current student location, total enrollment and school capacity for the three middle schools on the Island, using October 1 enrollment data from RIDE. In order to provide an illustration only of the feasibility of eliminating one middle school, the analysis removed Gaudet Middle School and calculated student enrollment in the two remaining middle schools if enrollments and student location were to remain the same. As with the prior model, *this is for illustrative purposes only and does not constitute a RIPEC recommendation as to school closures or location*.



As the map below shows, using current capacity there would be an excess of 40 seats at Portsmouth Middle School and 45 seats at Thompson. As with the high school analysis, it is not feasible to project student location in FY 2012; however, all three districts are projected to lose student population during this time period.

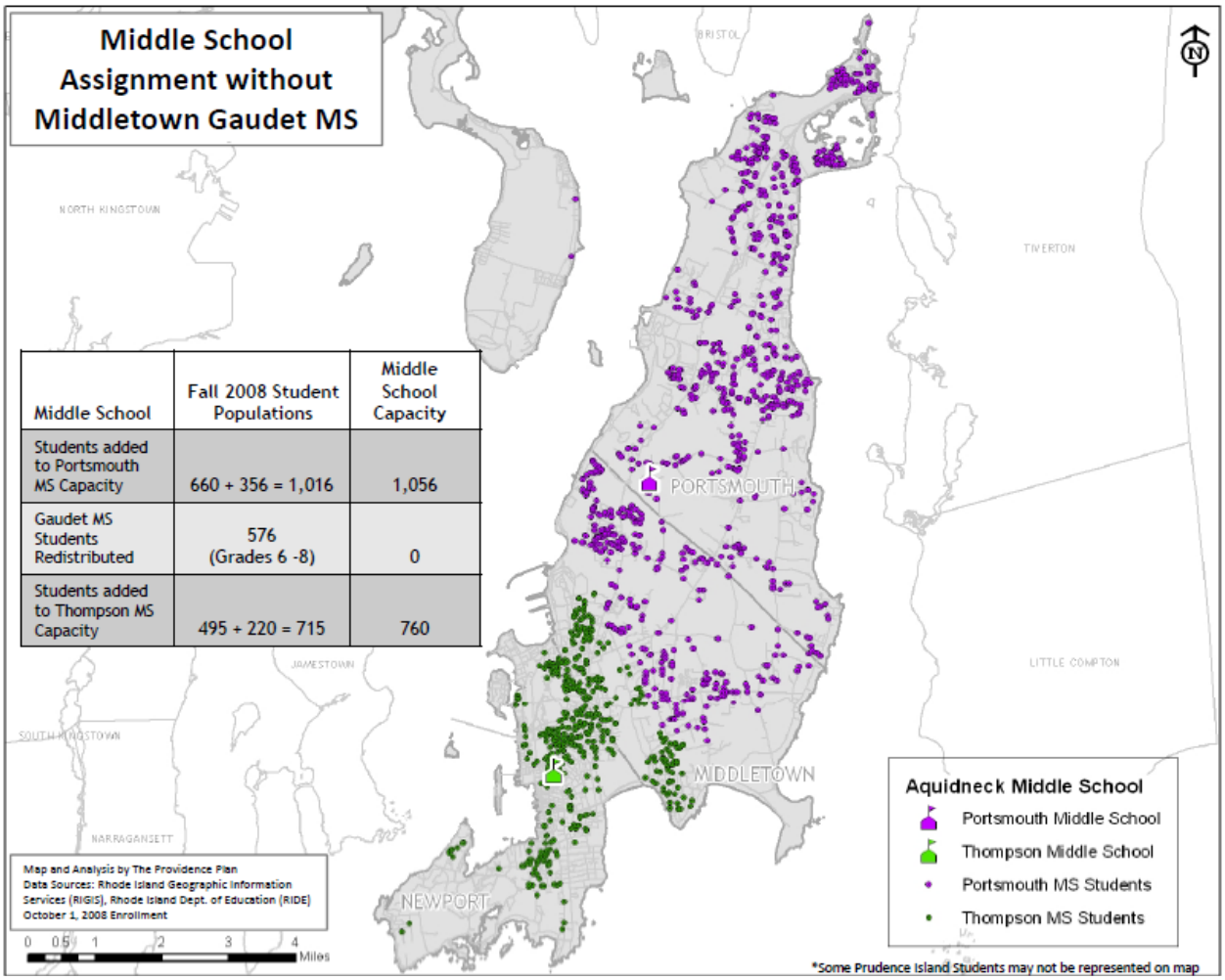


Table III-22 shows the middle school facility analysis including square footage per student. Enrollment for FY 2012 was calculated by apportioning the projected enrollment decline in Middletown by the share of Gaudet students that would be reassigned to Thompson and Portsmouth. Based on the table below, Thompson would be 18.5 percent under the stated capacity and slightly over the RIDE recommended square footage per student. Portsmouth would be 13.4 percent below the school's capacity and slightly under the RIDE recommendation. This model includes 28 teachers at Thompson and 39 at Portsmouth (excluding art, music, etc.).

Table III-22
Middle School Facility Analysis - FY 2012

School Name	Grades Housed	Year Built	Total Square Feet	Site Size (Acre)	Facility Condition	Approx Value	Enroll	Building Capacity	Act Sq Ft / Student	RIDE Sq Ft/Student
Thompson	6-8	2002	112,000	1.9	Excellent	$23,344,700	620	760	181	183
Portsmouth MS	6-8	1971	157,800	37.0	Fair	$19,006,000	914	1,056	173	168
TOTALS			**269,800**				**1,534**	**1,816**	**176**	

SOURCE: District-provided facility reports; RI Department of Education; third-party analysis.

Model 6 assumes the closure of a middle school in addition to the high school closure outlined above. The methodology is the same as in Model 5, but uses the contract maximum student/teacher ratio for middle schools to determine additional teacher reductions, in addition to the estimated teacher reductions gained from closing one high school.

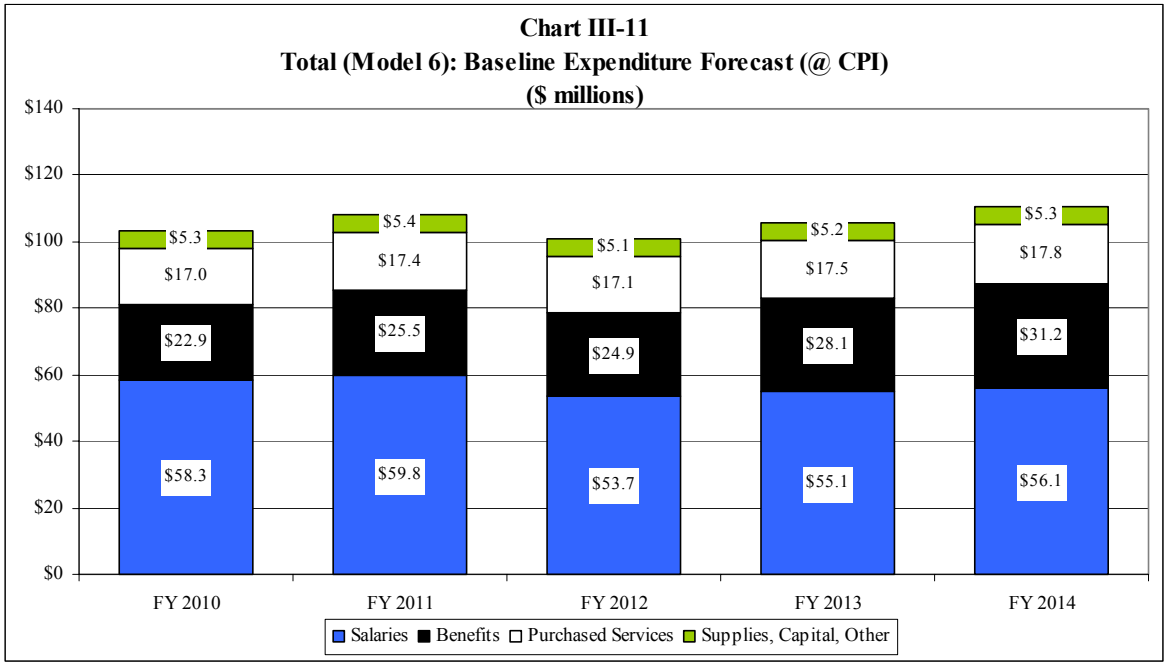
The model eliminates/retains the following additional positions:

Principal (1 – Admin; Retains 1)	Nurse (1 - Cert)
Librarian (1 - Cert)	Guidance (1 – Cert; Retains 1)
Clerical (4 – Non-cert)	Custodians (2 – Non-cert; Retains 2)

In addition to the estimated salary and benefit savings, additional operations savings (e.g. fuel, physical plant maintenance, some supplies) are included, and expenditures on most educational materials (e.g. textbooks and teaching supplies) are retained. Estimated savings are ~$575,000 in FY 2009; savings are inflated using CPI and applied to FY 2012 estimated expenditures.

Model 6 – Projected Expenditures

Based on the assumptions contained in Model 6, expenditures are forecasted to increase 6.7 percent, from $103.5 million in FY 2010 to $110.4 million in FY 2014. Estimated expenditures in FY 2014 under Model 6 are $12.8 million lower than in Model 1; over the life of the forecast this model is predicted to save the districts a combined total of $37.1 million when compared to Model 1. Salaries are projected to decrease by 3.8 percent over the time period covered in the forecast, from $58.3 million in FY 2010 to $56.1 million in FY 2014. Benefits are expected to increase by 36.1 percent, from $22.9 million in FY 2012 to $31.2 million in FY 2014. As in Model 5, there are some non-personnel-related savings in the forecast. Purchased services expenditures are forecasted to be $0.7 million lower than estimates in Model 1, while expenditure on supplies, capital and other are projected to be $0.5 million lower than Model 1.



Capital Plans

As shown in the models above, the majority of projected savings resulting from consolidation are related to personnel reductions, which the models assume would be easier to achieve in a consolidated district. However, there are also significant savings to the communities with regard to the districts' capital plans. All three districts face aging infrastructure that is in most cases not well-equipped to support a "21st century learning environment." Even in districts where there is adequate square footage per student and flexible learning spaces, many of the buildings require renovations to meet existing code and accessibility requirements, minimize health or safety risks, or meet energy efficiency goals. These necessary renovations represent a significant investment for the districts and municipalities.

Newport submitted to RIDE, and received approval from the Board of Regents for a capital improvement plan of $2.4 million in March of 2007. This amount includes renovations to bring Rogers High School up to standard. Planned work includes: replacement of roofs; renovations to the heating system; upgrades to the fire alarm system and waterlines; renovations of the science and math wings; and updates to the intercom and clock system. In addition, the district's proposed capital plan consolidates five elementary schools to one and creates a new middle school at the Rogers campus which will require renovating existing buildings and adding an additional wing. The total proposed cost for this plan is $24.9 million and the district would like to put the issue before the voters in November, 2010.

In March, 2005, Middletown received approval from RIDE for a $1.8 million capital improvement request. This request covered costs for fire alarm upgrades, door and window replacement, removal of asbestos tiles, and parking lot/sidewalk renovations. In 2007, a report prepared for the district by Fielding Nair International recommended a $121.6 million capital improvement plan that proposes building a new high school at the Drive-In site, renovating and expanding Gaudet, creating a new elementary campus at the Middletown High School site, and renovations/rehab to the three existing elementary schools. The report proposes three sources of funding for the project: State funds (housing aid), property sales and private/corporate partnerships or sponsorships (e.g. a construction company looking to move into the market or the Bill and Melinda Gates Foundation).

Currently, Portsmouth does not have any capital improvement requests at RIDE. However, the district has been in the process of developing a five-year capital improvement plan and will submit the plan to RIDE once a plan has been selected. In the "Portsmouth Public Schools Space Needs Analysis", there are four options presented, ranging in cost from $25.0 million to $48.8 million over five years. These plans present a variety of options including closing an elementary school, moving grade 5 back to the middle school, constructing new elementary schools, transitioning an elementary school to an early learning center, and renovating the existing schools. The plans also include renovations and upgrades to the middle and high schools, as well as the administration building.

Under current State law, the individual districts are eligible for reimbursement from the State for 30.0 percent of total project costs. However, the State also offers a financial incentive to districts that are looking to consolidate in the form of increased reimbursement rates for school construction. The current bonus is a 2.0 percent increase in the reimbursement rate per grade in

a consolidated district. According to R.I.G.L. §16-7-40, assuming the districts would consolidate 13 grades (K-12), their total regionalization bonus would be 26.0 percent. In addition, the districts would be eligible for an increased share ration of 4.0 percent for renovation projects only. Thus, if the districts were to consolidate, they would be able to effectively double the State reimbursement rate, assuming the State maintains the regionalization bonus.

Table III-23
Sample Debt Service $175,000,000

Date	Estimated Payment			Reimbursement		Net Annual Cost		Estimated
	Principal	Interest	Total	30% Rate	60% Rate	30% Rate	60% Rate	Savings
1/1/2010	$ -	$ 4,375,000	$ 4,375,000	$ (1,312,500)	$ (2,625,000)			
7/1/2010	5,295,000	4,375,000	9,670,000	(2,901,000)	(5,802,000)	$ 9,831,500	$ 5,618,000	$ 4,213,500
1/1/2011	-	4,242,625	4,242,625	(1,272,788)	(2,545,575)			
7/1/2011	5,555,000	4,242,625	9,797,625	(2,939,288)	(5,878,575)	9,828,175	5,616,100	4,212,075
1/1/2012	-	4,103,750	4,103,750	(1,231,125)	(2,462,250)			
7/1/2012	5,835,000	4,103,750	9,938,750	(2,981,625)	(5,963,250)	9,829,750	5,617,000	4,212,750
1/1/2013	-	3,957,875	3,957,875	(1,187,363)	(2,374,725)			
7/1/2013	6,125,000	3,957,875	10,082,875	(3,024,863)	(6,049,725)	9,828,525	5,616,300	4,212,225
1/1/2014	-	3,804,750	3,804,750	(1,141,425)	(2,282,850)			
7/1/2014	6,435,000	3,804,750	10,239,750	(3,071,925)	(6,143,850)	9,831,150	5,617,800	4,213,350
1/1/2015	-	3,643,875	3,643,875	(1,093,163)	(2,186,325)			
7/1/2015	6,755,000	3,643,875	10,398,875	(3,119,663)	(6,239,325)	9,829,925	5,617,100	4,212,825
1/1/2016	-	3,475,000	3,475,000	(1,042,500)	(2,085,000)			
7/1/2016	7,090,000	3,475,000	10,565,000	(3,169,500)	(6,339,000)	9,828,000	5,616,000	4,212,000
1/1/2017	-	3,297,750	3,297,750	(989,325)	(1,978,650)			
7/1/2017	7,445,000	3,297,750	10,742,750	(3,222,825)	(6,445,650)	9,828,350	5,616,200	4,212,150
1/1/2018	-	3,111,625	3,111,625	(933,488)	(1,866,975)			
7/1/2018	7,820,000	3,111,625	10,931,625	(3,279,488)	(6,558,975)	9,830,275	5,617,300	4,212,975
1/1/2019	-	2,916,125	2,916,125	(874,838)	(1,749,675)			
7/1/2019	8,210,000	2,916,125	11,126,125	(3,337,838)	(6,675,675)	9,829,575	5,616,900	4,212,675
1/1/2020	-	2,710,875	2,710,875	(813,263)	(1,626,525)			
7/1/2020	8,620,000	2,710,875	11,330,875	(3,399,263)	(6,798,525)	9,829,225	5,616,700	4,212,525
1/1/2021	-	2,495,375	2,495,375	(748,613)	(1,497,225)			
7/1/2021	9,050,000	2,495,375	11,545,375	(3,463,613)	(6,927,225)	9,828,525	5,616,300	4,212,225
1/1/2022	-	2,269,125	2,269,125	(680,738)	(1,361,475)			
7/1/2022	9,505,000	2,269,125	11,774,125	(3,532,238)	(7,064,475)	9,830,275	5,617,300	4,212,975
1/1/2023	-	2,031,500	2,031,500	(609,450)	(1,218,900)			
7/1/2023	9,980,000	2,031,500	12,011,500	(3,603,450)	(7,206,900)	9,830,100	5,617,200	4,212,900
1/1/2024	-	1,782,000	1,782,000	(534,600)	(1,069,200)			
7/1/2024	10,480,000	1,782,000	12,262,000	(3,678,600)	(7,357,200)	9,830,800	5,617,600	4,213,200
1/1/2025	-	1,520,000	1,520,000	(456,000)	(912,000)			
7/1/2025	11,005,000	1,520,000	12,525,000	(3,757,500)	(7,515,000)	9,831,500	5,618,000	4,213,500
1/1/2026	-	1,244,875	1,244,875	(373,463)	(746,925)			
7/1/2026	11,555,000	1,244,875	12,799,875	(3,839,963)	(7,679,925)	9,831,325	5,617,900	4,213,425
1/1/2027	-	956,000	956,000	(286,800)	(573,600)			
7/1/2027	12,130,000	956,000	13,086,000	(3,925,800)	(7,851,600)	9,829,400	5,616,800	4,212,600
1/1/2028	-	652,750	652,750	(195,825)	(391,650)			
7/1/2028	12,735,000	652,750	13,387,750	(4,016,325)	(8,032,650)	9,828,350	5,616,200	4,212,150
1/1/2029	-	334,375	334,375	(100,313)	(200,625)			
7/1/2029	13,375,000	334,375	13,709,375	(4,112,813)	(8,225,625)	9,830,625	5,617,500	4,213,125
Total	$ 175,000,000	$ 105,850,500	$ 280,850,500	$ (84,255,150)	$ (168,510,300)	$ 196,595,350	$ 112,340,200	$ 84,255,150

Assumptions: $175,000,000 Bond Issue Dated July 1, 2009; Interest rate of 5% based upon market conditions as of June 19, 2009; subject to change; Bond sizing does not include costs of issuance

Table III-23 shows the estimated debt service payments on a $175.0 million bond issuance using a level-payment schedule. The 30.0 percent reimbursement rate column shows the estimated payments if the districts were to pursue their capital plans individually, and the 60.0 percent column shows the estimated payments under a regional district. Based on the Table above, it appears that the districts would collectively save $4.2 million annually if they were to consolidate. Over the 20 year life of the bond, this would equate to $84.3 million in total savings. If the districts were to issue $200.0 million in bonds for capital improvements, estimated annual savings would be $4.8 million. This would total $96.3 million in savings over 20 years.

In addition to these projected savings, the districts may be able to generate additional revenue through land sales/rentals fees or alternate uses for properties they may no longer need post-consolidation (e.g. if the districts were to build a new high school that could serve all three communities, they may be able to sell or lease the unneeded high schools).

Section IV:
Summary, Conclusions and Future Directions

Introduction

All three districts have been facing significant fiscal challenges, including, but not limited to, level funding of state aid, limits to increases in the property tax and rapidly increasing personnel costs. The current economic crisis has exacerbated these issues, resulting in increased volatility in housing markets and cuts in state aid. While declining enrollments may help districts trim costs through staffing reductions, each district will effectively reach a "cliff" in the future due to student/teacher requirements, student location and enrollment levels. Finally, the physical buildings in each of the districts require renovation, repair, and, in some cases, rebuilding.

The preceding sections have outlined the current demographic and financial makeup and provided a budgetary forecast for each of the three independent districts; examined how a hypothetical Aquidneck Island district would compare to similarly-situated districts; and examined a number of potential models for a consolidated district. The models are designed to provide policymakers with tools to evaluate the pros and cons of consolidation and it is important to remember that models are built on assumptions which may change over time; however, based on our preliminary analysis, it appears that consolidation could result in significant cost savings for the districts.

Another important function of consolidation is the potential to enhance the educational experience for students in the district. As districts around the State and country face deficits, districts have proposed eliminating music, gifted and talented programs, and sports in order to balance their budgets. Further, as districts lose population, it may be increasingly difficult to maintain course offerings that are appropriate for students at all academic levels, and to sustain sports and music programs. Consolidation may provide an increased critical mass of students for a wider range of academic offerings to better meet the academic needs of students at all levels. Further, increased numbers may also allow for the expansion or retention of extra and co-curricular activities such as music, art, drama, academic teams, and athletics.

This section will examine the implications of consolidation, including potential benefits beyond the projected cost savings, and highlight a number of issues that should be considered during this evaluation process. This section examines the following:

- *Overview of the models presented in the prior section* – projected savings and deficits, how the models compare to each other;
- *Additional benefits from consolidation* – academic and extra-curricular enhancements;
- *Challenges to the assumptions and additional opportunities that may result from consolidation* – enrollments, contracts, governance, transportation, curriculum and graduation requirements, additional efficiencies; and
- *A potential pathway to consolidation* – legal framework, shared services, joint planning opportunities.

Overview of Models

Summary

In order to provide the committee and policymakers with a tool to guide the decision process around consolidation, six models were developed that forecasted revenues and expenditures under a hypothetical consolidated district. Model 1 simply combined the individual districts' forecasted expenditures, while models 2-4 reduced the number of certified, non-certified and administrative staff. Models 5 and 6 examined the impact of closing a middle school and a high school, respectively. Table IV-1 shows the impact on certified staff and the student teacher ratio in each of the six models. Based on the models, the FY 2012 student/teacher ratio ranges from 10:1 in Model 1 (assumes no certified staff reductions) to 12:1 in Models 5 and 6. This equates to a staffing reductions that range from between 5.0 percent (Model 1 vs. Model 2) and 17.1 percent (Model 1 vs. Model 6).

Table IV-1
FY 2012 Student/Teacher Ratios
and Number of Certified Staff (FTE)

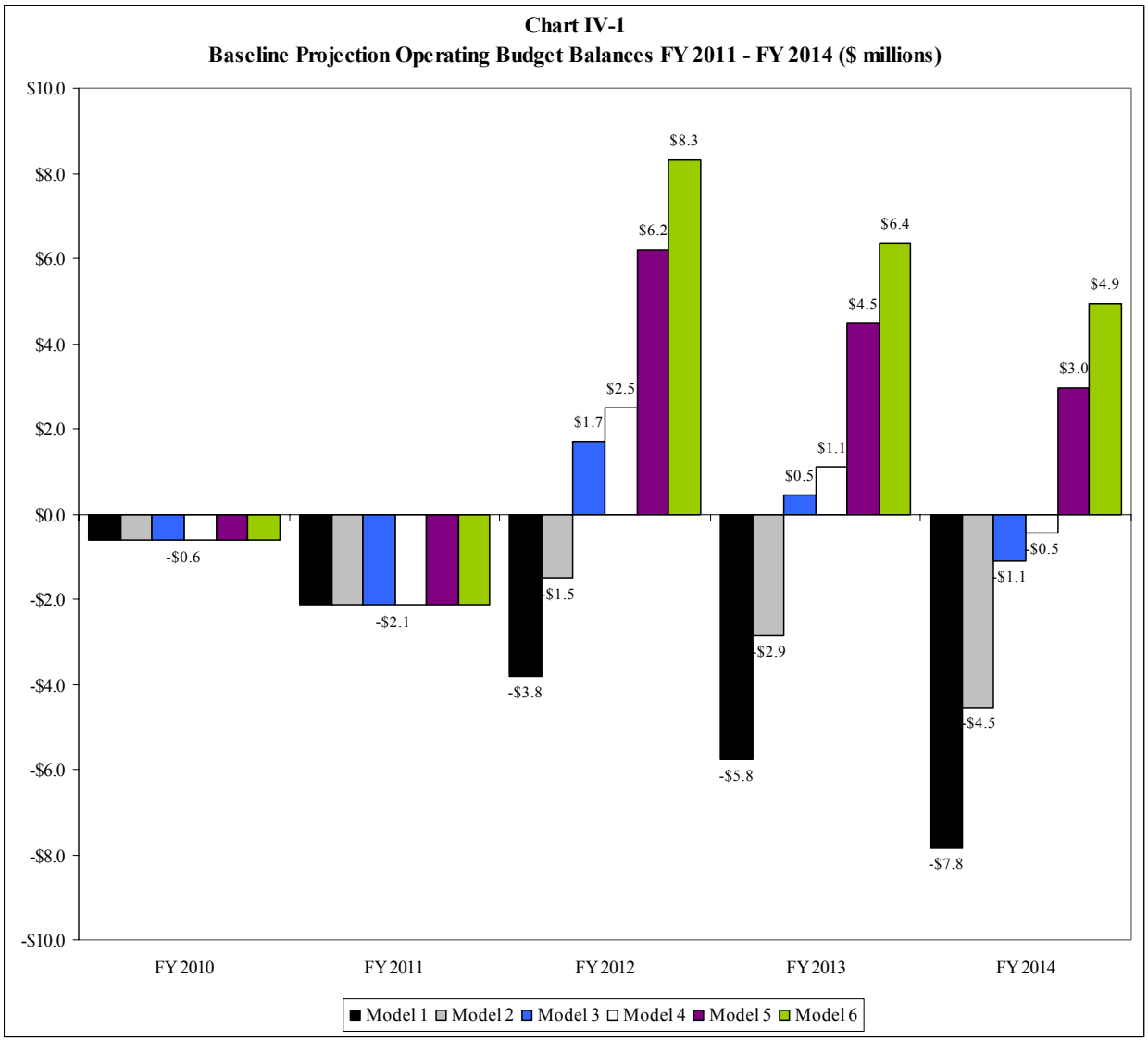
	Model 1		Model 2		Model 3		Model 4		Model 5		Model 6	
	Ratio	Teachers	Ratio	Teachers	Ratio	Teachers	Ratio	Teachers	Ratio	Teachers	Ratio	Teachers
Kindergarten	N/A	19	20	23	20	23	20	23	20	23	20	23
Elementary	N/A	131	19	128	22	113	22	113	22	113	22	113
Middle	N/A	105	18	83	20	77	20	77	20	77	22	67
High	N/A	153	15	146	16	139	16	139	20	111	20	111
Special Ed.	N/A	102	14	93	15	85	15	85	15	85	15	85
LEP	N/A	4	N/A	6	N/A	6	N/A	6	N/A	6	N/A	6
Other*	N/A	155	N/A	155	N/A	155	N/A	155	N/A	152	N/A	149
Total	*10*	*668*	*11*	*635*	*11*	*598*	*11*	*598*	*12*	*567*	*12*	*554*

* Art, Music, PE, Reading, OT, PT, Ed Diag., S. Wkrs, Psy., Speech, Librarians, Guidance Counselors, Nurses, students services, literacy coordinator
NOTE: LEP and "Other" teachers are assumed held constant in models 1-4

Projected Unrestricted Budget Balances

All three communities are projected to experience deficits in the timeframe covered by the forecast. Collectively, these deficits are projected to grow from $0.6 million in FY 2010 (0.6 percent of available revenues) to $7.8 million in FY 2014 (6.8 percent of available revenues). These forecasts do not take into account the likelihood of lower state aid for education and the potential for a fiscal "cliff" in FY 2012 when the ARRA funds are set to expire.

Models 1 and 2 project a deficit in all years of the forecast, although Model 2 effectively cuts the forecasted deficit almost in half when compared to Model 1 (see Table IV-2). Projected unrestricted budget deficits range from $1.5 million in FY 2012 (the assumed year of consolidation) to $4.5 million in FY 2014. While models 3 and 4 include forecasted surpluses in both FY 2012 and FY 2013, these models also project operating budget deficits by FY 2014 ($1.1 million and $0.5 million, respectively).



Under Model 5, the hypothetical consolidated district is forecasted to have surpluses that range from $6.2 million in FY 2012, to $3.0 million in FY 2014. Model 6 forecasts surpluses of $8.3 million in FY 2012, $6.4 million in FY 2013, and $4.9 million in FY 2014. In addition to the assumed savings from consolidation, the three districts have the potential for increased capital savings due to the housing aid regionalization bonus, which would increase the reimbursement rate from the 30.0 percent the communities currently receive to an estimated 60.0+ percent.

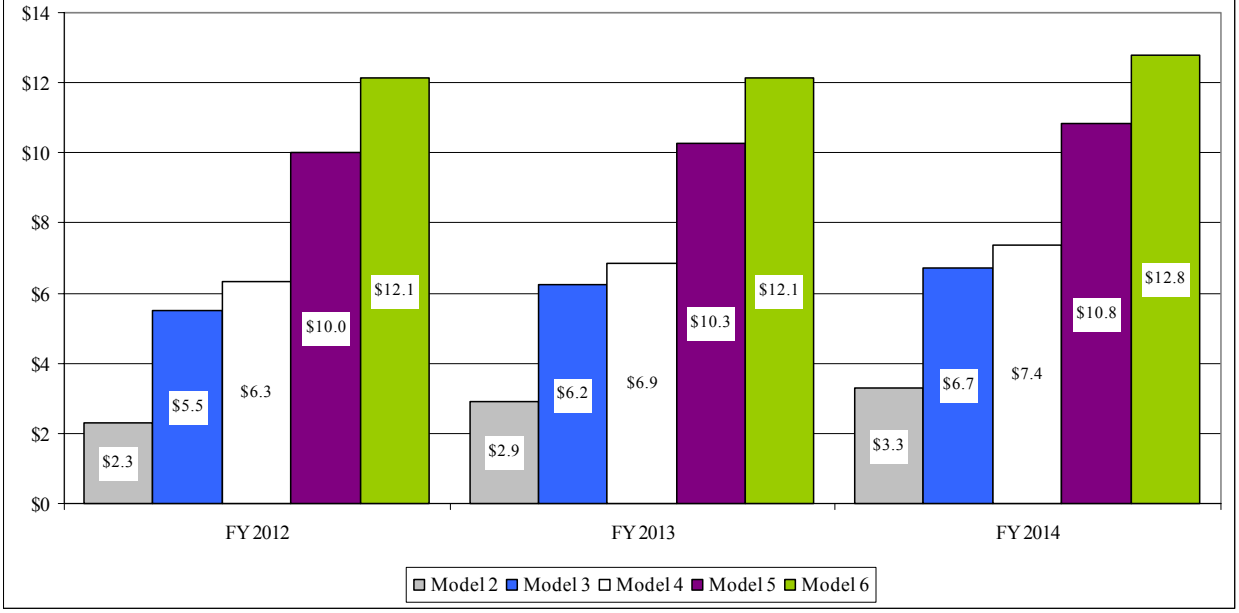
Table IV-2
Forecasted Baseline Operating Budget Deficits
FY 2010 - FY 2014

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Middletown	-1.0%	-2.5%	-4.1%	-5.8%	-7.5%
Newport	-1.4%	-3.1%	-4.9%	-6.8%	-8.8%
Portsmouth	0.7%	-0.2%	-1.2%	-2.3%	-3.4%
Model 1	-0.6%	-2.0%	-3.5%	-5.1%	-6.8%
Model 2	-0.6%	-2.0%	-1.4%	-2.5%	-3.9%
Model 3	-0.6%	-2.0%	1.6%	0.4%	-1.0%
Model 4	-0.6%	-2.0%	2.3%	1.0%	-0.4%
Model 5	-0.6%	-2.0%	5.7%	4.0%	2.6%
Model 6	-0.6%	-2.0%	7.6%	5.7%	4.3%

NOTE: Newport projections include the district's OPEB liability, which is excluded in the "combined district" expenditure projections. Totals do not include restricted funding.

Another way to evaluate the models is in the relative savings each would afford the districts compared to the "do nothing" option outlined in Model 1. Chart IV-2 shows the estimated savings relative to the first Model. As shown on the chart, Model 2 is projected to generate savings that range from $2.3 million in FY 2012 to $3.3 million in FY 2014. These savings are projected to increase through each successive model; Model 6 projects savings from $12.1 million in FY 2012 to $12.8 million in FY 2014, relative to Model 1.

Chart IV-2
Projected Annual Savings Compared to Model 1, FY 2012 - FY 2014



Projected Per Pupil Expenditures

Table IV-3 shows the projected per pupil expenditures of each of the individual districts and projected per pupil expenditures in each of the six models. One should note that the individual forecast for Newport includes the districts' OPEB liability, which accounts for between $1,821 per pupil in FY 2010 to $2,647 per pupil in FY 2014. As shown on the table, per pupil expenditures in a consolidated district would be higher under all models when compared to forecasted per pupil expenditures for Portsmouth. Conversely, per pupil expenditures in Newport are estimated to be higher than the estimated consolidated district expenditures in all models. Middletown is estimated to see lower per pupil expenditures between FY 2012 and FY 2014 for Models 3-6.

Table IV-3
Forecasted Per Pupil Expenditures FY 2010 - FY 2014

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Middletown	$14,816	$15,707	$16,685	$17,553	$18,607
Newport	18,656	20,426	22,608	24,766	27,201
Portsmouth	12,550	13,261	13,985	15,006	15,824
Model 1	$14,719	$15,747	$16,883	$18,116	$19,363
Model 2	14,719	15,747	16,539	17,667	18,845
Model 3	14,719	15,747	16,057	17,159	18,305
Model 4	14,719	15,747	15,940	17,061	18,203
Model 5	14,719	15,747	15,387	16,540	17,663
Model 6	14,719	15,747	15,067	16,254	17,353

NOTE: Newport projections include the district's OPEB liability, which is excluded in the "combined district" expenditure projections. Totals do not include restricted funding.

When considering Table IV-3, one should note that higher or lower per pupil expenditures are not necessarily indicative of savings or expenses a district would incur under consolidation. For example, although estimated per pupil expenditures under a consolidated district would be higher than the forecasted per pupil expenditures in Portsmouth, the district would necessarily pay more to support those expenditures. Similarly, although per pupil expenditures in Newport are forecasted to be significantly lower under a consolidated district, the district would not necessarily see expenditures on individual pupils decrease. Rather, total expenditures are spread over a larger group than in Newport alone, which will necessarily decrease the per pupil expenditures.

Capital Plan Summary

The consolidated districts would also realize significant savings in their debt service payments for capital improvements due to the current regionalization bonus for state housing aid; if the districts were to consolidate, they would be able to effectively double the State reimbursement rate. The analysis shows that the districts could collectively save $4.2 million annually on a $175.0 million bond initiative if they were to regionalize. Over the 20 year life of the bond, this would equate to $84.3 million in total savings. If the districts were to issue $200.0 million in bonds for capital improvements, estimated annual savings would be $4.8 million, which equates to $96.3 million in savings over 20 years. The regionalization bonus has the potential to bolster the district's ability to retain their neighborhood elementary schools as well. By enhancing reimbursement rates for housing aid, the districts will have a greater ability to provide for the necessary construction, renovation and repair of these schools.

Additional Benefits

Often, potential cost savings are the primary impetus behind district consolidation. However, an equal, if not more important, consideration is how consolidation may impact student's educational experience. As school budgets decline and enrollments fall, schools and districts find themselves in the difficult position of eliminating or restricting classes, extracurricular activities and, in some cases, altering grade configurations due to school closures and capacity issues. Consolidation may have the potential to alleviate the economic pressures that lead to these decisions through increasing cost savings and creating a critical mass of students that would enable the districts to expand curricular and extra-curricular activities. Further, through increased flexibility in student and teacher assignment, and increased housing aid, consolidation may allow the districts to retain the neighborhood elementary school model without moving elementary students into the middle school level.

Rhode Island General Law notes that, in the event that the commissioner orders the creation of a regional district planning board, the board should endeavor to answer the following questions related to academics:

- Will regionalization allow the cities or towns to offer a complete K through 12 educational program (in particular, if the town or city currently "tuitions out" some of its students)?

- Will regionalization allow the school system to offer a more comprehensive and/or diversified program for high school students (i.e. advanced language, mathematics, and specialized or remedial courses)?

- Are there weaknesses in the curriculum or programs within a district that can be remedied by regionalization with a district with compensating strengths?

- What effect will regionalization have on class size and how will that affect the students' classroom performance, socialization skills, or participation in school activities?

- Will extracurricular activities or the student support services (guidance, library, etc.) be enhanced by regionalization?

- Will regionalization permit sufficient "local control" for all districts involved to assure parents that they have some influence on the education of their children?

- Do comparative studies of regionalization in similar areas show improved school quality?

In order to address some of these questions, RIPEC surveyed the district superintendents regarding their estimation of the curricular, extra-curricular and professional development opportunities in their district. In addition to this section, a summary of their responses can be found in the Appendix. RIPEC also examined literature relevant to the issue of the impact of consolidation on the educational experience. A more detailed summary of the literature can be found in the Literature Review at the end of this report.

The Educational Experience

Curriculum

As enrollment continues to decline in Aquidneck schools, increased costs and decreased course offerings have become a reality in some districts and others will soon face challenges. For example, one Aquidneck district, which had students who expressed interest in starting a Japanese language program, was unable to do so due to low enrollment. As another example, one district noted that they are not able to offer fifth-level language courses. As such, students who enter high school with one or more years of foreign language are not able to take four years of that language in high school. In some cases, districts may include courses in their catalogue but do not offer them because of low student requests.

In response to these challenges, one district has turned to using Virtual High School (VHS) to expand their course offerings. These programs have been used with success in a broad range of settings and for a broad range of courses. However, while VHS or other on-line learning options are a viable alternative for many courses, in some cases, such as language, on-line learning may decrease the interpersonal dynamics of the traditional classroom models and impair the communication functions such as group discussion and evidence of proper pronunciation. Critics also argue that on-line learning at the middle and high school levels may detract from the social experience of high school and that web-based education requires students to have high levels of self-efficacy for self-regulation and motivation. Further, while virtual education can achieve cost-savings a case study in the Hudson school district in Hudson, Wisconsin determined that establishing an online program did not yield monetary savings to the district.[*]

Consolidation may allow a more diverse curriculum and provide an increased mass of students for a wider range of academic offerings to better meet student needs at all levels and to provide a broader range of courses. Higher student populations are likely to translate into fewer courses being dropped due to low enrollment. Recently, the Massachusetts towns of Ayer, Lunenburg and Shirley have examined the potential benefits of merging the three districts and concluded that a consolidated district would provide increased academic opportunities for students. While other studies have found mixed results regarding the impact of consolidation on academic achievement (see the Literature Review), there is evidence that small schools are limited in the number of courses they can offer and that large schools face fewer challenges in this regard.

Extra-curricular activities

Increased numbers of students may also allow for expanded extra-curricular opportunities in arts, music, drama and athletics. Although the three districts offer a broad range of extracurricular activities, one district noted that, while they could easily field additional teams, it is not feasible to expand their extra-curricular activities at this time. In addition, some programs, such as the marching band, are severely underfunded. Based on our analysis, it also appears that extra-curricular opportunities outside of high school are fairly limited in all three districts. Outside of the Aquidneck Island districts, budget cuts have forced some schools to look into eliminating popular programs such as hockey and football and from a practical perspective, low student enrollments may make it increasingly difficult to field full football or baseball teams, particularly if there is interest in gearing these teams to multiple ability levels.

[*] Ash, Katie. "Online Learning Examined as Budget-Saving Tactic", *Education Week*, March 18, 2009.

Combined support for these programs is likely to increase extra-curricular opportunities such as athletic and academic teams, music and theater programs, and intramural activities. While some activities, such as sports teams, have a prescribed limit to the number of students who are able to participate and when two schools combine, the total number of positions in these activities is cut in half, these lost positions may be replaced by the addition of new sports teams like wrestling or crew. Furthermore, some studies have shown that consolidated schools that are able to increase extracurricular offerings have a net positive impact on student participation in these activities.

Local elementary schools

Although this analysis achieves the largest portion of cost-savings through the closing of one middle school and one high school, the analysis retains all elementary schools. While larger schools may offer increased academic and extra-curricular opportunities at the middle and high school level, there is a large body of research that notes the benefits of retaining a neighborhood elementary school model. Local elementary schools tend to have lower student/teacher ratios in the grades where smaller class sizes are demonstrated to have the greatest impact.

Further, these schools may enhance the feeling of community and provide a focal point for neighborhood involvement. This is particularly important if the districts were to consolidate. Neighborhood schools at the elementary level would allow each community to retain local control over educational decisions at the earliest level.

Finally, retaining neighborhood elementary schools has the potential to reduce costs with regard to transportation. Elementary schools tend to have high transportation-related costs due to the smaller boundary area (~ ½ mile), beyond which students must be provided with transportation. Local elementary schools enable a larger amount of students to walk or bike to school, thereby reducing transportation costs for the district.

The Teaching Force

As with the above questions, the literature presents differing perspectives on the effect of consolidation on the teaching force. Some studies have noted that more varied course offerings as a result of consolidation may result in increased teacher satisfaction and that combined resources enhance the ability of schools to offer more professional development opportunities (see literature review). All three districts noted that, while they feel reasonably-to-well positioned with regard to attracting and retaining high-quality teachers, resources are limited, which may have a negative impact in the future. With regard to professional development, all three districts engage in collaborative agreements such as the East Bay Education Collaborative (EBEC), which allows for cost-savings. However, the districts also noted that they expect State support for professional development to decrease in the future and noted that Article 31(8) funds (aka professional development funds) were cut in the FY 2009 fiscal year due to budget constraints at the State level. In this regard, the pooling of resource through consolidation may also offer the districts the continued opportunity to improve the quality of their teaching force through maintaining support for professional development opportunities.

Challenges and Opportunities

Based on the assumptions and methodology contained in this report, there appears to be significant savings for the three districts under a consolidated model. However, as noted earlier in this report, a forecast is only as good as the assumptions upon which it is built. A number of variables have not been included in the forecast, yet have the potential to change the outcome of each of the models. At the same time, there exist a number of opportunities for increased cost savings or enhanced educational opportunities that have not been covered in the financial analysis. This section will briefly outline some of these challenges and opportunities, and, where possible, will provide some recommendations to the districts as they consider consolidation.

Enrollments

The majority of this analysis relies on district-provided enrollment projections that show a significant decline in the student population over the next five years. These projections are based on demographic trends (e.g. lower birth rates and outward migration) as well as assumptions about retention rates. There has been some concern expressed regarding the effect an increase in student population would have on the forecasted models due either to demographic changes or, possibly, students returning to the public system from private or parochial schools.

Based on the NCES report "Projections of Education Statistics to 2017," public school enrollment (including charters) in Rhode Island is estimated to decline by 5.3 percent between FY 2009 and FY 2014. Although these estimates include students enrolled in charter schools, they are in-line with historic enrollment patterns across the State. Further, demographic data from the United States Census Bureau indicates that the State saw population declines every year between 2005 and 2008 and, although the State population decline is slowing, Rhode Island remains one of the only states in the country to lose population. Between 2005 and 2008, Middletown has experienced a consistent population decline. In contrast, Newport saw their population decline by 3.7 percent between 2004 and 2005, and then increase by 4.0 percent the following year. Between 2006 and 2007, the population of Newport fell by 1.1 percent. The population in Portsmouth declined in the first two years shown in Table IV-4, and increased slightly in the last year.

Table IV-4
Population Change
July 2005 - July, 2008

	2005	2006	2007	2008
Middletown	-1.7%	-1.7%	-1.0%	N/A
Newport	-3.7%	4.0%	-1.1%	N/A
Portsmouth	-1.0%	-0.5%	0.2%	N/A
Rhode Island	-0.6%	-0.5%	-0.6%	-0.2%

SOURCE: US Census Bureau; RIPEC calculations

Based on the demographic data, it does not appear likely that the districts would experience a sudden increase in population that would have a significant impact on the analysis. However, the combined forecast for the three communities does indicate a possible demographic bulge beginning in FY 2014. If this is the case, the districts may face some challenges relating to school closures. At the same time, based on district projections, there would be excess capacity at all educational levels including elementary schools (which would be impacted the most by the change). Of note, all three districts have closed, or are considering closing an elementary school.

As such, the three independent districts would potentially face the same challenge if the student population were to increase. Under consolidation, however, the districts would possibly be better able to adapt to these demographic shifts and, if necessary, would be able to leverage the increased housing aid reimbursement if new construction or expansion was necessary.

Another concern is that student currently enrolled in private or parochial schools would return to the public system. RIDE collects data regarding total non-public enrollment (excluding charters) by residence. The data indicates that non-public enrollment as a percent of total enrollments in each district (public and non-public enrollment) was fairly consistent for by FY 2007 and FY 2008. However, FY 2009 non-public student enrollment accounted for 11.8 percent of the student population in Middletown, 16.8 percent of the student population in Newport, and 12.5 percent of the student population in Portsmouth. This represents a decrease of between 4.6 percentage points in Middletown to 1.6 percentage points in Portsmouth compared to the year prior. At the same time, with the exception of Middletown, public enrollments declined between FY 2008 and FY 2009.

Table IV-5
Public v. Non-public Enrollment
FY 2007 - FY 2009

	FY 2007			FY 2008			FY 2009		
	Public	Non-public	% Non-public	Public	Non-public	% Non-public	Public	Non-public	% Non-public
Middletown	2,415	423	14.9%	2,357	422	15.2%	2,378	317	11.8%
Newport	2,282	600	20.8%	2,218	580	20.7%	2,096	424	16.8%
Portsmouth	3,034	485	13.8%	2,958	486	14.1%	2,908	416	12.5%

NOTE: Based on RIDE data, there were no students from Newport or Portsmouth, and only in student from Middletown, enrolled in charter schools in FY 2008, the most recent year for which data was available. For this reason, the totals exclude charter schoo

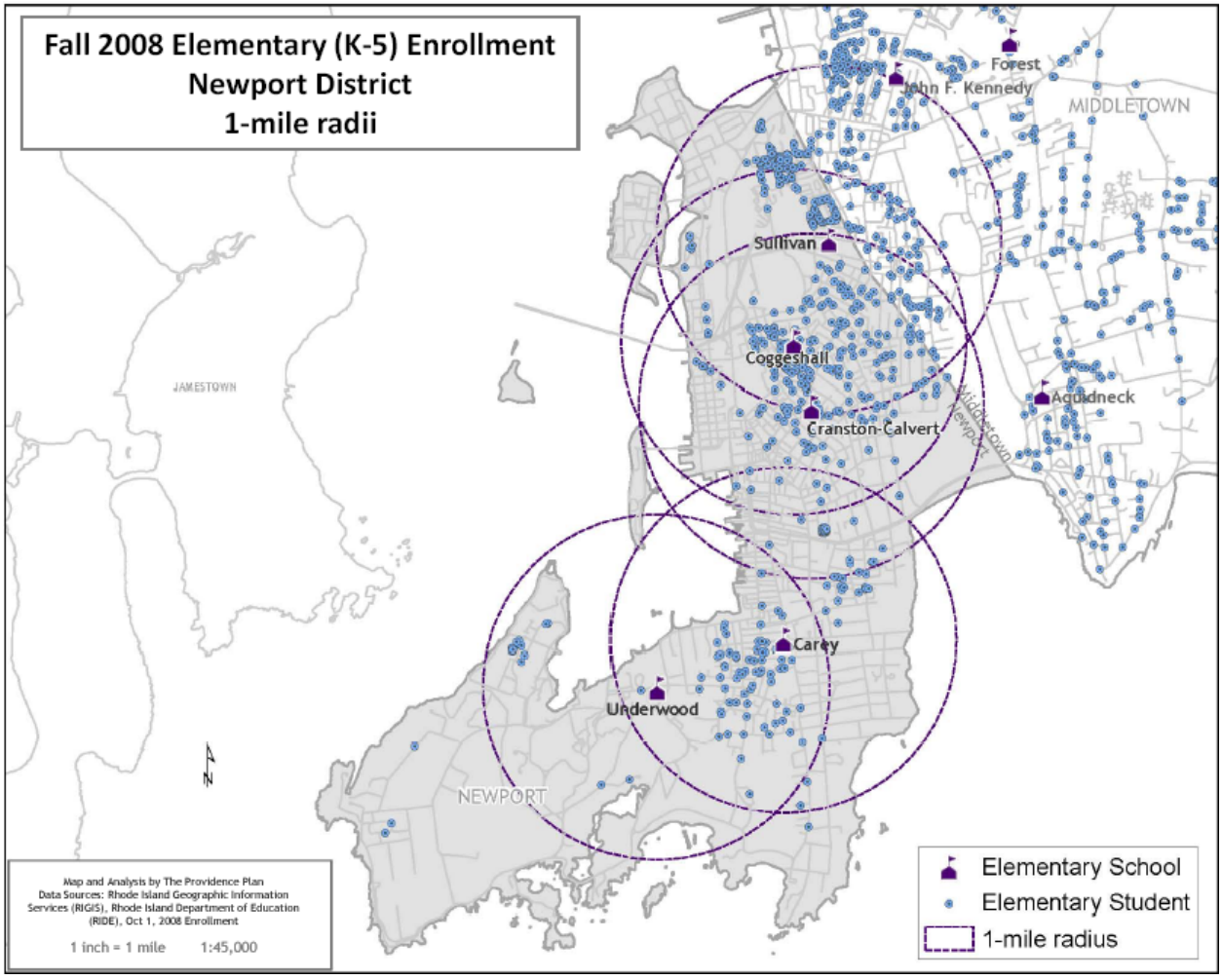
SOURCE: RIDE; RIPEC calculations

There is not enough data to determine whether non-public enrollments will continue to decline, and whether this trend will have an impact on total enrollments in the districts. The economic decline may be a contributing factor to the lower enrollments, they may be a function of declining population or students may be returning to the public system by choice. If this remains a concern to the committee, it may be beneficial to commission a survey of private and parochial school parents to determine if there would be significant interest in enrolling their children in a consolidated public district.

Transportation

One of the downsides of consolidation that is frequently mentioned in the literature is the potential for increased costs to offset expected savings. Often, transportation is mentioned as one of those primary costs. This analysis does not take into account the potential for increased transportation expenditures, but does recognize that, if the districts were to close schools, expenditures on transportation would necessarily increase due to the increased transit time for students. Similarly, if the hypothetical consolidated district were to build a new high school or middle school, transit time would also increase.

Based on district budgets, it appears that transportation costs for the current academic year are between $1.0 million and $1.6 million. Thus, if the districts were to simply be combined with no changes in school location, total expenditures for transportation would total approximately $4.0 million in the current fiscal year. However, the amount each district shows may not represent the total cost of student transportation; for example, in Portsmouth, some transportation costs are supported by Boosters or the PTO. Based on the FY 2010 proposed budget for the Chariho district, total FY 2009 transportation expenditures (including field trips, athletics, regular student transport, special education transportation, and charter and private school student transportation) were $4.1 million. This translates to a per pupil expenditure of $1,135 per student, which is approximately twice as much as the districts currently spend. However, Chariho is also significantly less densely populated that the Aquidneck Island districts, with approximately 30 students per square mile in FY 2009.



It does not appear likely that transportation costs will increase significantly in a consolidated district; however, it is clear that population density and student location in relation to schools have an effect on the overall cost of transportation. In this sense, consolidation may help reduce transportation costs. Since this analysis assumes the retention of neighborhood elementary schools, there is a possibility that consolidation may allow for the opportunity to better align

student school assignment with student location. For example, Sullivan Elementary School, which is located near the border of Newport and Middletown, was at 62.2 percent capacity in FY 2009. As the map above shows, there are a number of Middletown students in a one-mile radius from the school, the majority of which likely attended John F. Kennedy Elementary, which will be closed at the end of the 2008-2009 academic year. If the districts were consolidated, these students may be able to attend Sullivan Elementary, and remain in an elementary school setting, without necessarily increasing transportation costs as they would be within a one-mile radius of the school.

Teacher Contacts

Another challenge to the assumptions in this report is teacher contracts. The analysis assumes that individuals leaving the system would go out at the lowest average pay and benefit rate across the three districts (that is, the analysis assumed the lowest amount of average savings), and that individuals who were re-hired or retained would be at the highest average pay and benefit rate. In reality, there are a number of factors that determine teacher pay and benefit costs, as outlined in the "Staffing Analysis" section of this report. These factors include: teacher step and class, type of health/dental care coverage, co-pays, other fringe benefits, etc. that are outlined in contracts. Beyond simple cost comparisons, differences between the towns on matters such as length of school day, compensation for professional development, and restrictions against outsourcing may complicate the consolidation process.

In order to provide the districts with a tool to address these questions, RIPEC has done a preliminary contract analysis which examined the provisions of some of the primary cost drivers in certified and non-certified contracts. The analysis was developed to provide a basic outline of wages, benefits and selected terms and conditions and was not an exhaustive comparison of all labor contracts. Rather, it is meant to be a starting point for comparison purposes. Any consolidation of the districts would necessitate a more thorough review of the different contract provisions which should form the basis of negotiations between the many parties.

Table IV-6
Collective Bargaining Units by District

Bargaining Unit	End Date
Middletown	
National Education Association	August, 2009
RI Council 94, AFSCME, AFL-CIO Local 1823	June, 2009
Administrators Association	June, 2010
Association of Auxiliary Personnel/NEA RI	August, 2009
Newport	
Teacher's Association of Newport/NEA RI	August, 2011
RI Council 94, AFSCME, AFL-CIO Local 841	June, 2010
Portsmouth	
National Education Association Portsmouth	June, 2009
RI Council 94, AFSCME, AFL-CIO 2669	June, 2010

SOURCE: Various contracts

The main bargaining unit of certified employees covered by R.I.G.L. Title 28 (Labor and Labor Relations) is the National Education Association (NEA). Middletown has two other labor contracts that cover certified employees. Non-certified employees are covered by various AFSCE units as outlined in Table IV-6. The labor agreements cover a significant number of employees working for the three districts. Those not covered by the labor agreements generally receive the same benefits as those within the bargaining units. In general, management employees, such as the superintendent of schools, are not covered by the contracts.

Certified Personnel

The three major contracts covering teachers and other certified employees cover a multitude of issues, but are generally similar what is covered. The contracts do have different for compensation terms, such as base salary and additional compensation for advanced degrees, longevity, National Board Certification and others.

The basic wage plan for teachers in the three districts is a 10 step pay plan. The 10 step plan in each community differs in the percent change between steps and different starting points. Table IV-7 outlines the FY 2008-2009 steps in each community, as well as the average pay across all steps, and the difference between the highest and lowest pay grade at each step. As shown on the Table, Portsmouth has the highest pay grade at Steps 1, 2 and 9, while Middletown has the highest pay grade at all other steps. Newport has the lowest pay at every step with the exception of Step 3. Accordingly, Middletown has the highest average across all ten steps.

In general, the difference between the lowest-paying district and the highest-paying district increased with the steps. For example, the difference between the lowest and highest pay grades at Step 1 was $679, while the difference between districts at Step 8 was $3,158.

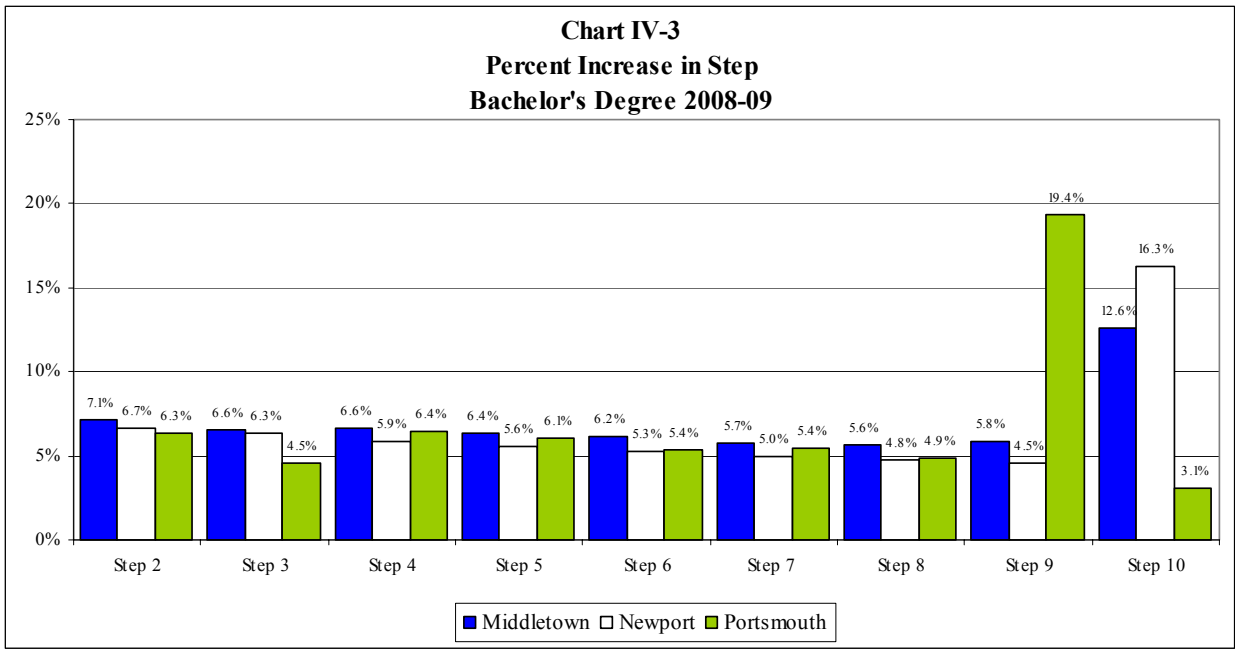
All three contracts provide for various stipends or other forms of compensation for additional positions or activities, such as coaching, mentoring and other related functions.

Table IV-7
2008/2009 Teacher Basic Pay Scale

DISTRICT	1	2	3	4	5	6	7	8	9	10	Avg.
Pay Scale by Step											
Middletown	$39,180	$41,962	**$44,727**	**$47,679**	**$50,727**	**$53,856**	**$56,929**	**$60,130**	$63,644	**$71,634**	$53,047
Newport	*$38,818*	*$41,406*	$44,036	*$46,622*	*$49,211*	*$51,801*	*$54,836*	*$56,972*	*$59,564*	*$69,274*	$51,254
Portsmouth	**$39,497**	**$41,992**	*$43,902*	$46,727	$49,565	$52,240	$55,079	$57,752	**$68,940**	$71,077	$52,677
Difference high to low	$679	$586	$825	$1,057	$1,516	$2,055	$2,093	$3,158	$9,376	$2,360	$2,371
% spread low to high	1.75%	1.42%	1.88%	2.27%	3.08%	3.97%	3.82%	5.54%	15.74%	3.41%	4.63%

NOTE: Figures in bold represent the highest pay rate at each step, figures in italics represent the lowest pay rate at each step.
SOURCE: Various contracts

Chart IV-3 shows the percent increase at between each step for the three districts. In most cases, the largest increase is between Steps 9 and 10. In Middletown, the percentage increase in pay for a teacher moving between Step 9 and Step 10 this year was 12.6 percent. In Newport, this increase was 16.3 percent. The largest step-to-step increase in Portsmouth was between Steps 8 and 9; however, it should be noted that, as a provision of the contract extension in Portsmouth, all teachers were moved up a step in their pay, and a 3.0 percent COLA was added to the 10th step.



In addition to the base salary, certified staff receives extra pay based on their level of education or the number of semester hours of credit beyond a bachelor's or master's degree, as well as longevity payments. Newport provides for the largest salary increase for additional education credits, but does not include a salary increase for CAGS or a doctorate, and has the lowest pay increase for national certification. With the exception of a bachelor's degree, Portsmouth has the lowest salary increase for post-baccalaureate work. Longevity payments also vary between the three districts. Newport is the only district to provide longevity payments for employees with less than 20 years of service; payments in Newport start at 11 years.

Table IV-8
Additional Compensation

	Middletown	Newport	Portsmouth
Bachelor +30	$1,503	$1,885	$1,775 (+36)
Masters	$2,752	$3,769	$2,265
Masters +30	$4,575	$5,654	$3,050
CAGS	$6,174	N/A	$3,250
Doctorate	N/A	N/A	$4,150
Nat'l Cert.	$3,500	$2,500	$4,300
Longevity	20 Yrs $1,115; 25 Yrs $1,337; 30 Yrs $1,560	11Yrs $800; 15 Yrs $1,000; 20 Yrs $1,200; 25 Yrs $1,400; 30 Yrs $1,600	20 Yrs $1,200; 25 Yrs $1,250; 30 Yrs $1,300

SOURCE: Various contracts

All three contracts provide for healthcare with Health Mate Coast to Coast as the common plan. The three districts have a different amount established for employee co-share and for deductibles and co-payments. Employee co-shares are 10.0 percent in both Middletown and Portsmouth and 10.5 percent in Newport in FY 2009. The Newport co-share will increase to 15.0 percent in FY 2011. Portsmouth has the highest co-payments of the three districts. One should note that both Middletown and Portsmouth are currently in contract negotiations. Retiree health care varies among the three communities and is summarized in the Appendix along with a more in-depth examination of the policy in Newport. All three communities are in the State Teachers Retirement System and have similar benefits as prescribed by law. None of the three districts offer Social Security benefits.

Table IV-9
2008-2009 Health and Dental Contract Provisions

	Primary Insurance	Teacher Cost Share	Teacher Co-payments	Dental
Middletown	Blue Cross Classic/ Health Mate	FY 09: 10% Health / 5% Dental	Office $10; Specialist $10; ER $25; PR $5,$15,$30	DD I-IV
Newport	Blue Cross Healthmate Coast to Coast	FY09: 10.5% / FY10: 12% / FY11: 15%	Office $10; Specialist $10; ER $25; 20% with $300 cap	DD IV
Portsmouth	Blue Cross Healthmate Coast to Coast	10%	Office $15; Specialist $15; ER $100; PR $5, $15, $30	Blue Cross Dental III - IV

	Other Plans Offered	Alternate coverage	Plan 65 Option?
Middletown	None	Yes by mutual consent	Yes
Newport	Yes	Yes, subject to consent	Yes
Portsmouth	None	Yes, by agreement	Yes

SOURCE: Various contracts

All three contracts provide for a dispute resolution process or grievance procedure that has similar steps and for arbitration. The contracts also provide for set numbers of school days, work day times and teaching times. The contracts vary in the methodology of determining the assignments and scheduling of the day for teachers; each contract varies on the number of days teachers must be in attendance and whether they are compensated and how much they are compensated. There are variations between the districts as to the length of the school day and the time allotted to actual teaching time. Explicit language regarding teaching time varies from 6 hours in Middletown to 6 hours and 30 minutes in Portsmouth. All contracts provide for planning time, lunch time, and other requirements for the use of the teachers time.

Table IV-10
2009/2010 Time Requirements

	Middletown*	Newport	Portsmouth
School days	180	180	180
Extra days	1 for total of 181	2 Prof. Dev; 2 Parent	1 day plus hours
Extra paid days	Yes	Yes	Yes
Hours per day	6 hours and 50 Min	6 hours 15 min	6 hours 45 min**
Extra hours	4 hrs. in a four week period	3 hours per month	changed
Lunch period	Yes	Yes	Yes
Preparation time	Yes	Yes	Yes
Limit to Number of periods	Yes	Yes / High &Middle / 5	Yes
Teaching time	6 hours	Varies	6 hours 30 min**

* Expansive school day and teaching restrictions or requirements

** Extra middle 15 pre school also 14 extra hours for PD and 10 hours by Supt

SOURCE: Various contracts

Table IV-11
Class Size

	Middletown*	Newport	Portsmouth**
Elementary			
Pre-K		15	15
Kindergarten	Common group ≤20	1-15/ aid over to 19	21
Grades 1-2	20	20	22
Grades 3, 4, 5	25	22	25
Middle			
6 and 7 by cluster	25	85 to 92/ max of 23	25
Grade 8	25	85 to 92/ max of 23	25
Exploratory		Max of 25	
High School	25	Varies	25

* Some overage is acceptable

** Contract language states "whenever possible no classroom shall have more than twenty-five (25) students assigned to one (1) teacher."

SOURCE: Various contracts

Class size is also covered by all three contracts and each district has agreed to different class size limitations. Depending on the grade level, current class size restrictions range from 15 students (at the pre-K level) to 25 students (in general, middle and high school). Newport has the lowest class size restrictions at most levels at most grade levels (NOTE: all models that relied on the contract maximum for student/teacher ratios used the class size requirements outlined in the Newport contract; pre-K was not included in the analysis as only Portsmouth operates a non-special education pre-K program).

Non-certified Employees

The three districts have entered into various labor contracts with non-certified employees, a class of workers which includes:

- clerical employees
- custodial employees
- professional employees
- teacher aides

Non-certified units are recognized under the State labor laws and have contracts covering various compensation issues, benefits, and other terms and conditions. Many of these contracts provide for the exclusive bargaining agent rights for the work within the school departments. That is, the agreements recognize the labor union as sole and exclusive agent covering the work within the district and the work may not be done by anyone outside the bargaining unit. For example, the three contracts vary on who has the authority to open or close the building or who must be present when school buildings are being used.

Health care is similar to the health care provisions covering teachers in the districts. Non-certified employees are covered by Healthmate Coast to Coast, although Newport also offers the Healthmate 220 PPO Extended Benefit Play that requires a 5.0 percent co-share. The co-share in Middletown is 10.0 percent for employees hired prior to July, 1996 and 20.0 percent for employees hired after that date. All three districts offer a retiree health plan, although the length of coverage and plan end date vary by district. Non-certified employees in both Middletown and Newport are covered by the Municipal Employees Retirement System (MERS), while non-certified employees are covered by Portsmouth's independent local plan.

Table IV-12
Non-Certified Compensation and Health Coverage

	Longevity	Severance Pay	Health care	Co-share	Alternative Coverage	Retiree Health	Pension
Middletown	Yes	NA	Healthmate Coast to Coast	10% and 20%*	Mutual Agreement	5 yrs total with 3 yrs at existing plan and 2 yrs at individual plan; ends at age 65**	MERS
Newport	Yes	Yes; 2.5 days plus $100 / year	Healthmate Coast to Coast***	10%	Mutual consent	Yes^	MERS
Portsmouth	Yes	Yes; up to 52 days	Healthmate Coast to Coast		Written Consent	6 yrs individual up to Medicaid eligibility	Local

* 20% for those hired after July 1996 and 10% for employees hired prior to July 1996.

** N/A for teacher assistants.

*** Newport has an alternative Healthmate 220 PPO Extended Benefit Plan with a 5% Co-share

^ Newport has an Early Retirement Incentive Plan with healthcare

Each agreement specifies full or part time, work hour/week requirements, whether employees must work out of class, whether lay offs are allowed, and whether temporary employees are allowed. In addition, the contracts outline whether work may be performed by individuals outside the bargaining unit. Portsmouth wholly restricts work to individuals covered by the bargaining unit, while Newport does not appear to have any restrictions. In Middletown, sub-contracting for clerical work is subject to the union's grievance procedure, advance notice and other requirements. The issue of jurisdictional control of bargaining unit work and the definition of the work should be an issue for further study

Table IV-13
Time and Other Conditions

	Hours	Week	Week Days	Work Year	Premium Pay	Work out of class?	Bargaining unit Non union	Lay off Allowed?	Temporary Employees
Middletown									
Teacher Asst.	6 hrs per day		School year	School year	Yes		Yes	Yes	NA
Other Clerical	37.5 hrs per wk	M-F	5	Varies	Yes	Yes	Limited*	Yes	Yes/limited
Newport									
Clerical	35 hrs per wk	M-F	5	School year	Yes	Yes	Yes	Yes	Yes
Others			5	Whole year	Yes		Yes		
Portsmouth									
Clerical	40 hrs per wk	M-F	5	varies	Yes	Yes	No**	Yes	Yes
Custodian	40 hrs per wk	M-S	5	12 M	Yes	Yes	No**	Yes	Yes
IT	37.5 hrs per wk	M-S	5	12 M	Yes	Yes	No**	Yes	Yes
Aides	6 hrs per day		School year		Yes	Yes	No**	Yes	Yes

* Sub-contracting is subject to the grievance procedure and to advance notice and other requirements.

** Except in selective areas, no one outside of the bargaining unit may do bargaining unit work.

Governance

Establishment and Rights of Rhode Island Regional School Committees
The establishment of a regional district is subject to the provisions of R.I.G.L. § 16-3-10 which requires that the issue be subject to voter referendum. If the majority of voters in the affected towns vote in the affirmative, the statute (R.I.G.L. § 16-3) grants a regional school district the ability to exist as a body politic. The statute requires equalized representation whereby the members of the regional school committee are selected in proportion to the population of each voting district. In addition to the provisions above, Rhode Island regional school district committees are granted additional powers and duties set forth by R.I.G.L. § 16-3-11. These powers and duties include administrative, legal, contractual, financial, and planning and land use and are enumerated in the Appendix.

Funding and Apportionment
As stated in R.I.G.L. § 16-3-19, the cost of operating a regional school district and the cost of payment of an indebtedness of the regional school district is to be borne by the member towns or cities that comprise the regional school district. The statute states that the proportion of costs shall be calculated by the equalized weighted assessed valuation of the property of the towns and cities that lie within the regional school district. However, the apportionment of the cost of funding a regional school district and the cost of paying indebtedness may be determined by the District Members that comprise the regional school district in a manner approved by a majority vote within each member community. As per conversations with RIDE, and the budgets of other regional school districts in the State, it appears that the majority base the district share of the budget on the percentage of pupils from each municipality.

The proportionate share of the cost of operation and the cost of capital debt service payments are to be determined by the regional school district treasurer on or before March 1 in each year. The total amount of money necessary to be raised by the regional school district taxpayers for the operation of the regional school district must be reported to the town or city treasurer of the regional school district for the fiscal year following. In turn, under the provisions of R.I.G.L. § 16-3-20, each municipality must annually appropriate a sum sufficient to pay its proportionate share of the cost of the operation of the regional school district. the town or city treasurers of each of the school districts shall forward to the regional school district treasurer on July 1, October 1, January 1, and April 1, one-fourth (1/4) of the amount due for the operation of the regional school district for the fiscal year beginning July 1. Additionally, district members must pay interest on the bonds and notes issued and outstanding and pay their proportionate share of the principal bonds and notes maturing in any one year until the bonds and notes are fully paid.

State Education Aid
As noted earlier in this report, the State has level-funded education aid since FY 2007. Due to the current fiscal crisis, State education aid has been cut for the current fiscal year, and is likely to be cut in FY 2010. While ARRA money will offset some of these reductions, some restricted funds were not replaced. Further, Rhode Island currently does not have an education funding formula. As such, State support for education is uncertain at this time. However, as per discussions with RIDE the districts would receive aid as a single entity, consistent with the existing regional districts with the exception of Chariho.

Current law notes that, in the event the Rhode Island General Assembly enacts legislation providing for financial assistance to cities and towns for school construction or for assisting the cities and towns in servicing the debt already incurred for the construction of schools, any regional school district shall be entitled to share in the aid in the same manner as any city or town. Regional districts are also eligible for an increased reimbursement rate for school construction, renovation or repair, which is outlined in greater detail in the capital plan section of this report.

Existing Regional School Districts in Rhode Island
There are currently four regional districts in Rhode Island: Bristol Warren, Chariho (Charlestown, Richmond and Hopkinton), Exeter-West Greenwich, and Foster-Gloucester. This analysis only reviews Bristol Warren and Chariho.

The Bristol Warren Regional School district was formed in 1993 and is financed by the taxpayers of both Warren and Bristol, based on per pupil population from each town. The budget is developed and recommended by the school committee, then forwarded to the joint finance committee for final approval and enactment. The Bristol Warren Regional School Committee is a nine member elected board, six of which are elected officials of the Town of Bristol and three members are elected officials of the Town of Warren. The terms of the Town of Bristol and Town of Warren committee elections are staggered. Members are elected by each town on a non-partisan basis and serve for a term of four years. Members receive an annual salary that is equal to the average of the salaries of the town council members of Bristol and Warren. Election of officers takes place every two years at the organizational meeting. The chairpersonship alternates between the towns. Regular meetings are held every second and fourth Mondays of each month at Mt. Hope High School. The joint finance committee is also composed of nine members; five town council members, the town administrator of the Town of Bristol, two members of the Warren Town Council, and the Warren Town Manager. The Bristol Warren Regional school committee appoints the superintendent.

Chariho Regional Schools were established under the 1958 statute, the Chariho Act, joining the towns of Charlestown, Richmond and Hopkinton into one public school system. Under R.I.G.L § 16-3-25, regional school districts, namely Chariho Regional Schools, organized prior to January 1, 1959, shall be governed by the provisions of the act establishing it and the provisions of the chapter that are not inconsistent with it. As per §10 of the Chariho Act, the regional school committee is comprised of 11 members, each member town being represented on the committee in direct proportion to its population as determined by the most recent population census figures. The total population of the district is then divided by 11 and the resulting quotients are used as a basis for determining the proportionate representation of each said member town on said committee.

Academics

One challenge districts may face in consolidation is creating common curriculum, pedagogy, instructional materials, and graduation requirements. The following briefly examines differences between the districts with regard to their academic policies in order to provide a starting point for

consideration. While this analysis does not examine how teaching styles and instructional materials may differ between districts, these are important considerations for the districts if they choose to move forward with the process of consolidation.

Table IV-14
District Course and Graduation Requirements

	Middletown	Newport	Portsmouth
Required Coursework			
English	4	4	4
Math*	3 + 1	3 + 1	3 + 1
Science	3	3	3
Social Studies	3	3	3
Health/PE**	2.5	4	2
Arts	0.5	0.5	0.5
Technology	0	0.5	0.5
Total to Graduate	24	24	23
Graduation Requirements			
Capstone/Senior Project	X	X	X
End-of-Course Exams		X	X
Portfolio	X		
Community Service	X		
NECAP Proficiency	X	X	X

* Additional year can be "math related" such as Accounting

** Middletown requires .5 of Health and 2 of PE; Newport includes JROTC

SOURCE: District websites

Table IV-14 outlines high school course and graduation requirements across the three districts. In general, the three districts are relatively similar in their course requirements; the primary difference is in the required number of health/PE credits. It appears that Middletown does not have a technology course requirement. Newport requires that two of the three required years of science include laboratory sciences. While it appears that this is recommended in both Portsmouth and Middletown there did not appear to be an explicit requirement. The science sequences in the three vary slightly. For example, while it appears that both Portsmouth and Newport require Physical/Earth Science as the first class in the sequence, students in Middletown have the option to take Biology first. Both Middletown and Newport require 24 credits to graduate while Portsmouth requires 23. Currently, all three districts offer Advanced Placement courses and testing. The programs of studies for each of the districts did not indicate that there are substantial scheduling differences (e.g. block scheduling).

As per regulations promulgated by the Board of Regents, districts must choose two of three options (portfolio, capstone project, or end-of-course exams). All three districts require the completion of a capstone or senior project and demonstrated proficiency on the NECAP. A review of Middletown's "Proficiency Based Graduation Requirements" document did not specifically indicate that end-of-course exams were a graduation requirement as did the documents from Newport and Portsmouth. However, Middletown requires the completion of a portfolio and 20 hours of community service in addition to the requirements listed above.

In 2003, the Board of Regents adopted a set of regulations that established a set of graduation requirements, as well as steps districts must take in order to ensure that "every student enrolled in Rhode Island public schools has…individualized and optimized opportunity to achieve

proficiency for graduation." The Board amended these requirements in 2008 to reflect principles and design elements that have been identified since the original regulations were adopted. Under these regulations, in order to graduate, each student: must demonstrate proficiency in six core academic areas (English language arts, mathematics, science, social studies, the arts, and technology); proficiency must be demonstrated through multiple sources including portfolios, exhibitions and end-of-course exams; the NECAP will count as one-third of the proficiency measure for math and English proficiency requirements; and students must complete 20 academic courses/credits, including four years of English and mathematics, and three years each of science, and history or social studies.

The original 2003 regulations went into effect beginning with the class of 2008. Beginning in 2010, districts that have met the full requirements may begin offering Regent's approved diplomas. Districts are allowed to graduate students based on local criteria until 2012, after which time they must have the full approval from the Regents or will no longer be able to grant diplomas. These regulations will help create statewide goals and standards for graduating students and may help the three districts move toward a commonly-defined set of requirements.

If the districts opt to consolidate, it is recommended that they begin to align their curricular standards and graduation requirements one of their first steps. All three districts are part of the East Bay Education Collaborative (EBEC), which provides curriculum development guidance in addition to other services. This may allow the three communities to get a head start on creating a uniform curriculum before they consolidate. Further, if the communities do opt to consolidate, there exists the potential for increased savings through their use of collaboratives for curriculum development. Similarly, the communities should take advantage of the professional development resources afforded to them through EBEC, particularly as State support for professional development was cut in the current fiscal year.

Additional Efficiencies

One area where the districts may be able to find additional efficiencies is in the area of shared services, defined as essential services that may be performed collectively through the districts, local governments, or through others, such as a collaborative. RIPEC surveyed the three Aquidneck Island districts in order to examine the current level of shared services in each of the three districts and to ascertain which entity currently provides those services. These services are listed on Table IV-15 below.

Based on the results of this survey, it appears that the three districts currently engage in a number of shared services agreements. For example, the East Bay Educational Collaborative (EBEC) provides a number of educational services, such as professional development and curriculum development. Both Middletown and Portsmouth receive services from Newport County Regional Special Education Program (NCRSE), which provides a continuum of services for children with disabilities. Another education-related area of shared services is the Newport Area Career and Tech Center (NACTC), the vocational school for the region that is operated by Newport at Rogers High School.

Other services, such as energy purchasing are done through organizations such as the Rhode Island Association of School Committees (RIASC). All three districts do health insurance purchasing through the Governmental Health Group of Rhode Island (GHGRI), while they vary on where they purchase life, risk, building and worker's compensation insurance.

The districts also have a number of partnerships with local and State government. Some financial services in the Newport district are jointly performed with the town, while all three districts purchase school supplies, office equipment and other general supplies through State contracts. Audit functions in the Portsmouth district are performed through a municipal agreement with the town, while the wind turbine project, also via a municipal agreement, helps supply power to the district.

The concept of shared services is, thus, not new to the three communities. There are, however, additional opportunities that can and should be explored. For example, although the EBEC created the request for proposal (RFP) and managed the contracts for all three districts as they sought to purchase oil, there were three separate contracts among the three districts. As such, there is a possibility the districts missed an opportunity to benefit from mass purchasing. As the three districts share many common issues and needs, increasing the use of shared services among the districts may enable these services to be provided in a more economically efficient manner, freeing up resources that can be used to support the educational functions of the districts.

Recently, the Urban Education Task Force taskforce was formed by the Governor and is currently reviewing best practices in the area of cross section collaboration. They are looking at ways to increase school district collaboration across the various districts in the State. Additionally, the town of North Kingstown conducted a study on potential economic benefits to shared services and determined that significant cost-savings could be achieved through increased collaboration. The three Aquidneck Island districts may be able to look to the outcome of these studies for areas of greater collaboration and cost-savings.

Beyond increasing their use of shared services as independent districts, shared services should be an integral part of the transition plan should the districts choose to consolidate. Increasing the level of shared services in areas such as financial services and IT will help pave the way for increasing cooperation, and eventually consolidation, and will help provide for additional cost savings prior to consolidation.

Table IV-15
Shared Services

	Middletown	Newport	Portsmouth
Payroll	DIH/C	JS	DIH
Accounting	DIH	JS	DIH
Financial Services	DIH/DBT	JS	DBT
Banking Services	N/A	JS	DBT
Audit function	DIH/DBT	JS	MA
Performance Evaluation		JS	DIH
Landscaping	DIH	C	CMP
Field maintenance	DIH/DBT	JS	C
Building Maintenance exterior	DIH		DIH/C
Custodian Services	DIH		DIH
Fleet Maintenance	C	JS	C
Health Insurance	COLL	COLL	COLL
Life Insurance	C	COLL	IO
Risk Insurance	C	COLL	IO
Worker's Comp	IO	COLL	IO
Building Insurance	C	COLL	IO
Other Insurances	C	COLL	IO
Professional Development	DIH/COLL/JS	COLL	COLL/DIH/C
PD Development	DIH/COLL/JS	COLL	COLL/DIH/C
Curriculum	DIH	COLL	COLL/DIH
Specialist: Speech, Language others	JS		COLL
Special Ed. Classes	COLL		COLL
Classes			DIH/COLL/C
Book Purchase		COLL	DIH
Course Selection	N/A	COLL	DIH
Energy Purchase Electric	C	COLL	COLL
Energy Purchase Gas	C	SC	COLL
Gasoline	DIH/DBT	MA	MA
Other - Wind Turbine Project			MA
Printing	DIH	SC	DIH/C
Supplies General	SC	SC	SC
School supplies	SC	SC	SC
Office Products	SC	SC	SC
Office Equipment	SC	SC	SC/C
Consulting Work			
Engineering	N/A		C
Building evaluation	C		C
Educational	JS		COLL/C
Legal	C		C
Food services	COLL	C	COLL
Transportation	COLL	C	C
Security	C		N/A
Information Technology	DIH		DIH/COLL/C
Internet	SC	COLL	COLL/DIH
Joint Space utilization			
Storage	N/A		DIH
Facilities: sports educational	N/A		DIH/C
Trash Collection	DIH/DBT	JS	C
Recycling	DIH/DBT	JS	DIH
Snow Removal	DIH/C		DIH/C
Vendor contracts			
HVAC	C		CMP
Plumbing	C		CMP
Others		JS	
Electrician			CMP
Emergency Repairs			C

KEY	
Done in House	DIH
Done by Town	DBT
Municipal Agreement	MA
Contract with Municipal Piggyback	CMP
Contract for services private	C
Through Collaborative	COLL
Interlocal organization	IO
State contract	SC
Joint Services	JS

A Potential Pathway to Consolidation

The preceding sections have shown that consolidation is likely to result in savings to the districts, and that there are potential benefits to student's academic and school activity experiences. Thus, while there are challenges to consolidation, there are also significant benefits that should be seriously considered. However, if the districts opt to pursue a consolidated school district, the success of such an endeavor is strongly linked to the process by which the districts organize into a single entity and that serious consideration be given to this process. This section will outline a potential pathway for consolidation for the districts to use as a preliminary guide.

This study has attempted to answer a number of questions relating to the feasibility of consolidation including potential savings, spending per pupil, academic benefits, and potential challenges such as teacher contracts and transportation issues. However, while this study was completed over a six-month period, the Rhode Island statute that relates to the creation of a regional planning board by the commissioner of education provides for an 18-moth study period. As such, while this study lays the groundwork for discussions regarding consolidation, there are a number of questions that must be examined in greater depth before the districts move more fully to consolidate and request voter approval. For example, RIPEC recommends that the districts more fully examine course offerings, cycles and graduation requirements, as well as their special education arrangements and philosophy.

In the interim, RIPEC recommends that the districts look at possible synergies between the districts that can happen pre-consolidation. There are steps the districts can take that will both offer savings and smooth the pathway to consolidation should the districts choose to move in that direction as outlined below.

Increase Use of Shared Services

All three districts have a number of shared services agreements with collaboratives, statewide organizations and State and local governments. However, our review of their use of these services indicates that there are potential areas for expansion. Specifically, as the districts further evaluate the feasibility of consolidation, performing common services, such as IT and financial services such as payroll, together may yield cost savings and help build a common culture between the three districts. Special attention should be paid to who should provide the service and how, in order to reap the maximum benefit from the collaboration. In addition, the districts should continue working to enhance their use of the existing collaboratives, such as the EBEC in areas such as joint purchasing.

Joint Educational Planning

In addition to increased cooperation with regard to purchasing or performing services, RIPEC recommends that the districts look into joint educational planning. While State mandates have moved, and continue to move, all the districts in a common direction, special attention should be paid to alignment of curriculum, standards, graduation requirements, etc. This includes joint curriculum development, which also has the potential to generate additional savings for the districts. Joint educational planning should also include a comprehensive facility review by a

single entity, which will provide for a common baseline in order to assess where additional savings could be found, and where opportunities to enhance current facilities or develop new facilities exist.

Step 3 – Legal and Structural Analysis

While the literature does not offer any solid conclusions regarding the benefits or detriments of consolidation, what is clear is that the organization of the consolidated district will have a significant impact on the success or failure of said district. To this end, it is important that the districts undertake a careful legal analysis, paying special attention to issues such as governance, funding and school committee representation. The three districts might want to pay special attention to the challenges faced by regional districts in the State and in Massachusetts as they outline their framework.

The districts should also consider structural questions that relate to the physical and pedagogical aspects of the district. One area of consideration might be whether to build one large high school (or middle school), develop school-within-a-school models, or retain two separate high schools (or middle schools). Another consideration might be graduation requirements, which currently differ slightly between the three districts (for example, Middletown includes a community service requirement).

Section V:
Appendix

List of Tables

Section I:

Table I-1 Aquidneck Island Enrollment FY 2005 - 2014 (projected)
Table I-2 Projected FY 2014 Enrollment and Capacity
Chart I-1 Total: Baseline Revenue v. Expenditure ($ millions)
Chart I-2 Baseline Projection Operating Budget Balances FY 2011 - FY 2014 ($ millions)
Chart I-3 Projected Annual Savings Compared to Model 1, FY 2012 - FY 2014
Table I-3 Forecasted Per Pupil Expenditures FY 2010 - FY 2014
Table I-4 Aquidneck Island Enrollment FY 2009 - FY 2014 (projected)
Table 1-5 Per Pupil Expenditures (All Funds, In$ite) FY 2003 - FY 2007
Chart I-4 Rhode Island Districts by Size and Per Pupil Spending, FY 2007
Chart I-5 District Size and % of Students Scoring Proficient NECAP Math, 2007
Chart I-6 District Size and % of Students Scoring Proficient NECAP Reading, 2007

Section II:

Table II-1 Population Trends2005 - 2007
Table II-2 Contribution to State Population2000 – 2007
Table II-3 Median Family Income* FY 2005 - FY 2007
Table II-4 Unemployment Rate* FY 2005 - FY 2009
Table II-5 Median Single Family Home Price2005 – 2008
Table II-6 Property Value per Student FY 2007 - FY 2009
Table II-7 Certified Levy and Education Share FY 2007 - FY 2009
Table II-8 FY 2007 Tax Capacity and Tax Effort Index
Table II-9 Total Enrollment FY 2005 - FY 2009 Aquidneck Island District
Table II-10 Aquidneck Island Enrollment FY 2005 - 2014 (projected)
Table II-11 Enrollment by Program FY 2005 - FY 2009
Table II-12 Total FTE by Classification FY 2009
Table II-13 Student/Teacher Ratio by Educational Level 2008-09
Table II-14 Per Pupil Personnel Expenditures FY 2009
Table II-15 Percent of Certified Staff by Step FY 2009
Table II-16 Teacher Salary Summary FY 2009
Table II-17 FY 2007 - FY 2009 Source of Funding (Unrestricted Funds)
Table II-18 FY 2007 - FY 2009 Per Pupil Revenues by Source Unrestricted Funding
Table II-19 FY 2007 - FY 2009 Source of Funding (All Funds)
Table II-20 FY 2007 - FY 2009 Per Pupil Revenues by Source All Funds
Table II-21 FY 2007 - FY 2009 Weighted Per Pupil Revenues by Source All Funds
Table II-22 Operating Budgets ($ thousands) FY 2007-FY 2009
Table II-23 Per Pupil Operating Expenditures FY 2007 - FY 2009
Table II-24 Expenditures by Function as a Percent of the Total Budget (All Funds, In$ite) FY 2003 - FY 2007
Table II-25 Per Pupil Expenditures by Program (All Funds, In$ite) FY 2003 - FY 2007
Table II-26 Per Pupil All Funds Weighted Expenditures FY 2003 - FY 2007
Chart II-1 Middletown: Baseline Revenue Forecast $ millions
Chart II-2 Middletown Revenue Forecast ($ millions)
Chart II-3 Newport: Baseline Revenue Forecast $ millions

Chart II-4 Newport Revenue Forecast ($ millions)
Chart II-5 Portsmouth: Baseline Revenue Forecast $ millions
Chart II-6 Portsmouth Revenue Forecast ($ millions)
Table II-27 FY 2009 Final Revised Budget Impact on Education Aid ($ thousands)
Table II-28 ARRA Impact Title I and IDEA Part B($ thousands)
Table II-29 FY 2010 Proposed Budget Impact on Education Aid ($ thousands)
Chart II-7 Middletown: Baseline Expenditure Forecast (@ CPI) $ millions
Chart II-8 Middletown Non-Restricted Expenditure Forecast ($ millions)
Chart II-9 Newport: Baseline Expenditure Forecast (@ CPI) $ millions
Chart II-10 Newport Non-Restricted Expenditure Forecast ($ millions)
Chart II-11 Portsmouth: Baseline Expenditure Forecast (@ CPI) $ millions
Chart II-12 Portsmouth Non-Restricted Expenditure Forecast ($ millions)
Chart II-13 Middletown: Baseline Revenue v. Expenditure ($ millions)
Chart II-14 Newport: Baseline Revenue v. Expenditure ($ millions)
Chart II-15 Portsmouth: Baseline Revenue v. Expenditure ($ millions)

Section III:

Table III-1 Community Profile Data
Table III-2 Enrollment FY 2006
Table III-3 Forecasted Enrollment FY 2009 - FY 2014
Table III-4 Percent of Students Scoring At or Above Proficient* 2007-08
Table III-5 Revenues FY 2006
Table III-6 Revenue by Source, FY 2006
Table III-7 Per Pupil Expenditures, FY 2006
Chart III-1 Total: Baseline Revenue Forecast by Source ($ millions)
Chart III-2 Total: Baseline Revenue Forecast $ millions
Chart III-3 Total Revenue Forecast ($ millions)
Chart III-4 Total (Model 1): Baseline Expenditure Forecast (@ CPI) ($ millions)
Chart III-5 Model 1 - Non-restricted Expenditure Forecast ($ millions)
Chart III-6 Total: Baseline Revenue v. Expenditure ($ millions)
Table III-8 Total Staff FY 2006
Table III-9 Total Staff by Classification - FY 2008*
Table III-10 Per Pupil Compensation FY 2006
Table III-11 Compensation per FTE - FY 2006
Chart III-7 Total (Model 2): Baseline Expenditure Forecast (@ CPI) ($ millions)
Table III-12 FY 2012 Student/Teacher Ratios and Number of Certified Staff (FTE)
Chart III-8 Total (Model 3): Baseline Expenditure Forecast (@ CPI) ($ millions)
Chart III-9 Total (Model 4): Baseline Expenditure Forecast (@ CPI) ($ millions)
Table III-13 Students Per Square Mile and Per Pupil Transportation Expenditures
Table III-14 Total Number of Schools, FY 2008
Table III-15 Enrollment by Educational Level, FY 2008
Table III-16 Enrollment by School FY 2007 - FY 2009
Table III-17 Elementary School Facility Analysis
Table III-18 Middle School Facility Analysis
Table III-19 High School Facility Analysis
Table III-20 Projected FY 2014 Enrollment and Capacity
Table III-21 High School Facility Analysis - FY 2012

Chart III-10 Total (Model 5): Baseline Expenditure Forecast (@ CPI) ($ millions)
Table III-22 Middle School Facility Analysis - FY 2012
Chart III-11 Total (Model 6): Baseline Expenditure Forecast (@ CPI) ($ millions)
Table III-23 Sample Debt Service $175,000,000

Section IV:

Table IV-1 FY 2012 Student/Teacher Ratios and Number of Certified Staff (FTE)
Chart IV-1 Baseline Projection Operating Budget Balances FY 2011 - FY 2014
Table IV-2 Forecasted Baseline Operating Budget Deficits FY 2010 - FY 2014
Chart IV-2 Projected Annual Savings Compared to Model 1, FY 2012 - FY 2014
Table IV-3 Forecasted Per Pupil Expenditures FY 2010 - FY 2014
Table IV-4 Population Change July 2005 - July, 2008
Table IV-5 Public v. Non-public Enrollment FY 2007 - FY 2009
Table IV-6 Collective Bargaining Units by District
Table IV-7 2008/2009 Teacher Basic Pay Scale
Chart IV-3 Percent Increase in Step Bachelor's Degree 2008-09
Table IV-8 Additional Compensation
Table IV-9 2008-2009 Health and Dental Contract Provisions
Table IV-10 2009/2010 Time Requirements
Table IV-11 Class Size
Table IV-12 Non-Certified Compensation and Health Coverage
Table IV-13 Time and Other Conditions
Table IV-14 District Course and Graduation Requirements
Table IV-15 Shared Services

Weighting Methodology

In order to create a measure for analyzing costs associated with educating students with economically disadvantaged backgrounds, disabilities, and limited English proficiency and weighted student enrollment measure was developed. Specifically, this measure is used to account for how much more is spent to educate students with economically disadvantaged backgrounds, disabilities, and limited English proficiency. The methodology is identical to that of Standard & Poor's which uses cost adjusters to adjust spending so that they may be appropriately compared across school districts. These weights, used as multipliers, are as follows:

Economically Disadvantaged Students (FRL): 1.35 times
Special Education Students: 2.1 times
English Language Learners (LEP): 1.2 times

Weighted enrollment was calculated by multiplying the total enrollment of each special population by its respective multiplier. The difference between this number and the actual enrollment is then added to the total enrollment for each population. For example, the weighted enrollment of the entire Island is calculated as follows (numbers may not sum due to rounding):

Weighted FRL students =	1,943 * 1.35 = 2,623 -1,943	= 680
Weighted special ed. students =	1,394 * 2.1 = 2,927 -1,394	= 1,533
Weighted LEP students =	127 * 1.2 = 152.4 – 127	= 25
Total weighted students		= 2,239
Total enrollment		= 7,382
Weighted enrollment		= 9,621

All weighted enrollment figures in this study use this methodology. Weighted per pupil expenditures or revenues are calculated the same as per pupil revenues only using the weighted enrollment as the denominator.

Staffing Breakout

Certified Staff, FY 2009

Position	Middletown		Newport		Portsmouth	
	Total	FTE	Total	FTE	Total	FTE
Certified Staff						
Teachers	179	174.6	144	143.6	194	190.14
Pre-kindergarten	0	0	0	0	2	2
Kindergarten	7	7	8	8	4	4
Elementary	44	43.5	42	42	45	45
Middle	44	43.6	27	27	36	34.04
Secondary	44	41.8	37	36.6	69	68.6
Special Education	39	38.1	27	27	38	36.5
ESL	1	0.6	3	3	0	0
Gifted/talented	0	0	0	0	0	0
Art, PE, Music	16	15.5	22	22	26	24.3
Reading	0	0	12	12	5	4.5
Vocational	0	0	6	6	0	0
Librarians	4	3.5	4	4	5	5
Guidance Counselors	6	6	5	5	8	8
Nurses	4	4	5	5	4	4
OT, PT, Ed Diag, S. Wkrs, Psy, Speech	9	7.66	13	12.5	3	3
Other*	1	1	7	6.5	2	2
Total	219	212.26	218	216.6	247	240.94

* Deans, Early Childhood Coordinator, Math Intervention Specialists, Math and Literacy Coordinators, Student Services

SOURCE: District-reported data

Non-Certified Staff, FY 2009

Position	Middletown Total	Middletown FTE	Newport Total	Newport FTE	Portsmouth Total	Portsmouth FTE
School Offices						
Teaching Aides						
Kindergarten	0	0	8	8	0	0
Elementary	6	4.5	0	0	13	6.5
Middle	3	2.6	0	0	0	0
Secondary	2	1.5	6	5.5	1	1
Special Education	26	25.4	37	37	38	37
Media/Technology Specialists	1	1	0	0	0	0
Office/Administrative Assistant Staff	12	10.9	17	17	20	17.5
Custodians and Maintenance	25	25	26	26	19	18.5
Central Office						
Office/Administrative Assistant Staff	3	3	15	15	4	3.5
Athletics	1	0.4	0	0	1	1
Standards	1	1	0	0	0	0
Facilities/Property Services	3	3	1	1	4	4
Finance/Business	3	3	1	1	2	2
Student Services	1	1	0	0	0	0
Human Resources	1	1	1	1	1	1
Technology/Tech Aides	4	4	2	2	4	3.5
Bus Monitors	14	7	0	0	24	12
Attendance Facilitator	0	0	1	1	1	0.25
Sp Ed Bus Aide	0	0	1	1	0	0
Total	106	94.3	116	115.5	132	107.75

SOURCE: District-reported data

Administrative Staff, FY 2009

Position	Middletown Total	Middletown FTE	Newport Total	Newport FTE	Portsmouth Total	Portsmouth FTE
School Administration						
Principals	5	5	7	7	5	5
Assistant/Vice Principals	2	2	2	2	3	3
Guidance Director	0	0	0	0	1	1
Career and Tech Director	0	0	1	1	0	0
Central Administration						
Superintendent	1	1	1	1	1	1
Assistant Superintendent	1	1	0	0	1	1
Directors/Managers/Coordinators						
Facilities/Property Services	1	1	0	0	0	0
Finance/Business	1	1	1	1	1	1
Student Services	0	0	1	1	0	0
Technology	1	1	1	1	1	1
Literacy	0	0	1	1	0	0
Special Education	0	0	1	1	0	0
Total	12	12	16	16	13	13

SOURCE: District-reported data

Revenue/Expenditure Methodology

While both unrestricted and all funds data were presented in this study, revenue and expenditure forecasts were done using unrestricted funding only. Because some of the districts included State funds that are considered restricted, it was necessary to remove these funds from the district budgets in order to have a comparable baseline.

Restricted funds were directly taken out of revenues while and were taken out of expenditures as follows:

Technology – out of capital
Professional development – out of salaries; $45,000 out of non-certified and $57,859 out of certified salaries
Early childhood – 30% from benefits; 70% from salaries
All-day kindergarten – 30% from benefits; 70% from salaries
Student equity – 30% from benefits; 70% from salaries
Literacy – 30% from benefits; 70% from salaries

Benchmarking District Explanatory Notes and Methodology

Selection Criteria for Benchmarking Districts

Comparison districts were chosen based on the closest match of demographics, specifically, total enrollment and the percent of the student population counted as "special needs". These data were obtained from the National Center for Education Statistics (NCES) Common Core Data Set (CCD) and from School Data Direct. Special need populations include: Individual Education Plan (IEP) or special education students, limited English proficiency (LEP) students, and students participating in free/reduced lunch (FRL) programs. Demographic criteria were used as the selection basis as studies have consistently demonstrated the strong correlation between these populations, cost and outcomes.

Comparison Statistics

All data used for the comparison, except for test results, are from FY 2006, the most recent year for which comparable financial data is available. The report shows how the comparison district and the combined Aquidneck communities compare on a number of metrics including:

- Enrollment (total, special populations and weighted)
- Test results (2007 results for reading and math)[†]
- Staffing (instruction staff, teachers, administrative staff, and support services)
- Compensation per pupil (salaries and wages, benefit payments)[‡]
- Revenues per pupil and per weighted pupil (total, local, state and federal)
- Expenditures per pupil and per weighted pupil
    - Operating expenditures (instruction, instructional staff support, pupil support, general administration, school administration, operations and maintenance, and other)[§]
    - Capital expenditures
    - Total expenditures

Weighting Factors

Although an effort was made to select districts with similar demographics, no district was a perfect match to the Island. In order to control for the differential costs due to different populations, both revenues and expenditures were compared with the total population as well as the weighted population. Weighting factors were based on Standard & Poor's weighting methodology: FRL population: 1.35; LEP population: 1.2; IEP population: 2.1.

[†] The combined Aquidneck profile uses 2007 testing year NECAP data, and divides the combined number of students scoring proficient by the combined number of test-takers. One should note that only the Concord school district has test results that are directly comparable to Rhode Island's test results as each state uses a different metric to measure student progress as mandated by NCLB.

[‡] Reflects total enrollment only.

[§] See Glossary for a description of each function.

Combined Aquidneck Island Data Methodology

The "Aquidneck Island" comparison district was created using data from School Data Direct, which relies primarily on data from the NCES CCD. Enrollment data was obtained directly from NCES while data on staffing, compensation, revenues, and expenditures is from School Data Direct.

Enrollment
Total enrollment reflects the total number of students enrolled in each grade level, including pre-kindergarten, kindergarten, grades 1-12, and ungraded students. Special populations reflect FRL (economically disadvantaged), LEP (English language learners) and IEP (students with disabilities) enrollment. The total Aquidneck Island enrollments were calculated by summing enrollments in each of the three communities. Weighted enrollment was calculated by multiplying the total enrollment of each special population by its respective multiplier. The difference between this number and the actual enrollment is then added to the total enrollment for each population. For example:

FRL enrollment: 1,853
Multiplied by weighting factor: 1,853 x 1.35 = 2,502
Weighted student count – actual enrollment: 2,502 – 1,853 = 649
Added to total enrollment: 8,004 + 649 = 8,653

Staffing
The total number of staff in each category, as reported by School Data Direct, added across all three districts.

Compensation
Total compensation is reported on a per pupil basis on School Data Direct. Per pupil compensation for the "Aquidneck Island" district was calculated by multiplying per pupil compensation by the total number of students to get total compensation figures. These figures were then added together and divided by the total enrollment.

Revenues and Expenditures
Similar to compensation, revenues and expenditures are shown as a per pupil amount. As such the total for each category (e.g., local revenues or general administration) was multiplied by the total enrollment to get the actual total. These totals were then added across districts and divided by either the total enrollment or weighted enrollment of the "Aquidneck Island" district.

Glossary – Benchmarking Districts

Enrollment data was collected from the National Center for Education Statistics (NCES). Test performance data is from School Data Direct, which relies on State reports. School district financial data derived from information collected by the U.S. Census Bureau, Form F-33, as reported by the state education agency, and from information collected by the NCES National Public Education Financial Survey, as reported by the state education agency. Per-student values are calculated by dividing totals by fall enrollment. *Data reported may differ from information released by the state due to reporting differences.*

STUDENTS

Total Enrollment – The district's reported total student headcount in grades pre-K - 12.

Economically Disadvantaged – Student who, based on household income, qualify for free or reduced-priced lunches under the National School Lunch Program (a measure that is often used as a proxy for the number of students living in poverty).

English Language Learners – Students who need language assistance services because English is not their primary language and have limited ability to read, write, speak or understand English. The precise definition of English Language Learners varies across states.

Students with Disabilities – Students in the state designated as special education students under IDEA-Part B, who have a written instructional plan and receive various types of special education and related services for a mental or physical disability. Enrollment counts are generally, but not always, taken in the fall of the school year.

Weighted Pupil Count – A measure used to create a need-adjusted enrollment. Weighting factors were based on Standard & Poor's weighting methodology: FRL population: 1.35; LEP population: 1.2; IEP population: 2.1.

Proficiency – Proficient is the minimum level of academic performance that all students are expected to attain under the No Child Left Behind Act; however, each state may administer its own exam and set its own standard for proficiency.

Reading and Math Proficiency Rates – The percent of students found to be proficient on state exams. Proficiency by subject provides an overall summary of school, school district, or state performance in a particular subject and includes students in all grade levels tested. Student group data that have been suppressed for privacy reasons, however, are not included in these aggregations. Rates are calculated by dividing the number of students scoring proficient or above by the total number of students taking the test.

STAFFING

Instructional Staff – A category which reflects the total number of individuals directly involved with students; includes teachers, aides, and coordinators.

Administrative Staff – Staff members involved in the administration of a LEA and who are not directly involved with students and their education.

Support Staff – Includes media specialists and support, guidance counselors and student support services.

Student:Teacher Ratio – The number of students relative to the number of instructional staff, representing an estimate of average class size, calculated by dividing the total student headcount enrollment by total teachers. One should note that school and district settings with a proportionally large numbers of teachers with non-classroom teaching assignments may create an inaccurate impression of smaller class sizes.

Salaries and Wages – The sum of money spent on salaries for instruction, support services, and other elementary/secondary programs.

Benefits – The sum of money spent on employee benefits for instruction, support services, and other elementary/secondary programs. Benefits are not paid directly to employees and include items such as group insurance, retirement contributions, tuition reimbursement, unemployment and workers compensation. .

FINANCE

Total Revenue – The sum of money received from external sources, net of refunds, and other correcting transactions. Excludes revenue received from the issuance of debt, liquidation of investments, or agency and private trust transactions. Non-cash transactions, such as receipt of services, commodities, or other "receipts in-kind" are not included.

Local Revenue – The amount of money received from all local sources including property taxes, licenses and permits, etc. This category also includes school lunch revenues, tuition fees for education provided by the district, student activity receipts (co- and extra-curricular), transportation fees, textbook sales and rentals, interest earned on deposits and securities, and revenue collected from appropriations of another local governmental unit.

State Revenue – The amount of aid money received from a state for education-related purposes. This includes both restricted and unrestricted funds, such as general formula assistance or compensatory and targeted programs such as vocational aid and special education funds. State support for transportation, debt service for school construction, building aid, and amounts for servicing debt are included under State Revenue.

Federal Revenue – The amount of money received from Federal programs including funding for Title I, IDEA (excluding Part D), the Carl D. Perkins Vocational Education Act, and the National School Lunch, Special Milk, and School Breakfast programs. Federal revenue includes Impact Aid, and federal formula grant programs distributed through intermediary sources including grants for programs such as Head Start, Native American education and magnet schools.

Total Expenditures – Represent the sum of operating and capital expenditures. Total

Expenditures at the school district level also includes interest expenses related to debt and payments to other governments. This category excludes inter-fund and intergovernmental transfers, non-cash transactions such as in-kind payments, expenses related to the purchase of investment securities, and the extension or retirement of loans.

Operating Expenditures – Are the sum of district level expenditures for day-to-day operation of instruction, support services, administration, operations and maintenance, transportation, food services, enterprise operations and miscellaneous elementary/secondary expenditures. This category excludes inter-fund and intergovernmental transfers and capital- and debt-related spending as well as tuitions paid to other districts.

Capital Expenditures – The sum of money spent for building and road construction (excluding maintenance and repairs), instructional equipment, purchase of land and existing equipment, or other equipment. Capital Expenditures include payments on capital leases.

Instruction Expenditures – Money spent on activities occurring directly between teachers and students including payments for salaries, benefits, supplies, materials, and contractual services related to instruction. Instruction expenditures include activities within a classroom and other teacher-student settings during the school year and in the summer.

Instructional Staff Support Expenditures – Expenditures for the development of instructional content and processes. Support service expenditures include activities not directly involved in instruction, but that aid in the overall learning experience. Examples include: staff and curriculum development, media and library services and instruction-related technology services.

Pupil Support Expenditures – Money spent to assess and improve the well-being of students. Pupil support expenditures are support service expenses that include attendance, social work, guidance, and health services.

General Administration Expenditures – A support service expense that includes money spent for establishing and administering school district policy, including funds spent on the board of education and executive administration services, such as the office of the superintendent.

School Administration Expenditures – The amount of money spent for the overall administration of a school in support of the office of the principal and other school administrative services.

Operation and Maintenance Expenditures – Money spent on the care, upkeep, and safety of buildings, grounds, and equipment. This category includes building services, such as heating and electricity, non-student transportation services and building security.

Other Expenditures – The sum of funds spent on Transportation, Food Services, Enterprise Operations and other activities and services not classified under instruction, support services, or non-instructional activities.

Superintendent Survey Results

Aquidneck Schools Extracurricular Activities			
Activity	**Middletown**	**Newport**	**Portsmouth**
Academic Decathlon	X	X	
Baseball	X	X	X
Basketball	X	X	X
Chess			X
Choir	X	X	X
Color Guard / Flag Team	X	X	
Crew			
Cross Country Running			X
Dance/Cheerleading/Pom Squad	X	X	X
Debate	X	X	
Football	X	X	X
Golf	X	X	X
Gymnastics	X		X
Hockey		X	
Jazz Band	X	X	X
Lacrosse	X	X	X
Marching Band	X		X
Mathletes/Math Counts	X		X
Mock Trial	X	X	X
Model Legislative	X		
Odyssey of the Mind			
National Honor Society	X	X	
Robotics	X	X	X
Rotary Club / Other Volunteer Organizations	X	X	X
School Newspaper	X		
Soccer	X	X	X
Softball	X	X	X
Student Council	X	X	
Swimming	X	X	X**
School Magazine	X		
Tennis	X	X	X
Theater	X	X	X
Track & Field	X	X	X
Volleyball	X	X	
Wrestling	X		
Yearbook	X	X	X

** Privately funded

Aquidneck Schools Number and Percentage of Advanced Placement Students and Test Takers			
	Middletown	**Newport**	**Portsmouth**
# and % of Students in AP Classes	76/ 11.6%[††]	126 / 19.4%[‡‡]	108/ 9.9%[§§]
# and % of Students Who Took AP Exam[***]	53 / 38%	167 / 40%	101 / 42%

Special Academic Programs	Middletown	Newport	Portsmouth
Pre-College Tech Prep Program: This program focuses on those students who are interested in a technical field as a future career. The curriculum ensures a logical progression on to the two-year or community college and eventually to the world of work.			**X**
Johnson and Wales University, Rhode Island College Early Enrollment Program: The Early Enrollment Program (EEP) is a school/college partnership which began at Rhode Island College (RIC) in 1980. Its function is to offer high school students an opportunity to earn credits toward college while completing their high school diploma without leaving their high school campus. Students should strive for no less than a B- average in all EEP courses if they expect to transfer the credits. Once the students are accepted to a college, courses are transferred with credits earned and not with a designated grade. A listing of courses for which credit is available and specific program information is on file with the Guidance Department.	**X**	**X**	**X**
University of Rhode Island Early Enrollment Program Cooperative Extension: The Family and Consumer Science Department is offering a course in The Developing Child II/Practicum. Students may take and earn elective college credit from the University of Rhode Island upon successful completion of course requirements at Portsmouth High School. Cost information is available in the Guidance Department.			**X**
College-High School Cooperative Plan: Portsmouth High School, in conjunction with colleges in the area, participates in a cooperative plan whereby students may receive high school graduation credit by attending an accredited college during all or part of their senior year. Specific information is available in the Guidance Department.			**X**

[††] Based upon an estimate of 650 students enrolled.
[‡‡] Based upon an estimate of 647 students enrolled.
[§§] Based upon an estimate of 1,085 students enrolled.
[***] Results from *Advanced Placement Exams* 2009 Measuring Rhode Island Schools for Change Information Works!

Special Academic Programs	Middletown	Newport	Portsmouth
Work Experience Program: A work experience program is available to students who meet special requirements. This program, designed to meet the needs of students, provides the student with in-school training and realistic on-the-job experiences.		**X**	**X**
After School Community Service Program: This is an after school program designed to give seniors an opportunity to do volunteer service for different organizations in the community.			**X**
CCRI Running Start Program: Open to students who will have attained senior status for the following school year. Students apply in their junior year and if accepted will begin at CCRI during their senior year, completing highs chool graduation requirements while beginning college a year early. There are specific GPA requirements and the deadline to apply is April 1st.	**X**	**X**	**X**
CCRI High School Enrichment Program: Open to students ages 16 years old or older this program allows high school students to take up to 2 courses at CCRI per semester. Please see your counselor for more information and to fill out an application. Scholarships are available for students taking fall classes. The scholarship deadline is May 15th. http://www.ccri.edu/OES/Forms/runningStartApplication.pdf	**X**	**X**	**X**
Virtual High School (VHS): VHS and its member schools work together to build valuable solutions, including: professional development training, challenging, student centered courses and engaging enrichment programs that address critical educational needs. VHS is the first large-scale project to create Internet-based courses at the pre-college level, providing a low-cost means of course expansion.			**X**

Middletown High School Program of Studies 2009 - 2010	Newport Rogers High School Program of Studies 2009 - 2010	Portsmouth High School Program of Studies 2009 - 2010
Art		
Advanced Ceramics	Fine Arts I	Advanced Art Honors
Advanced Drawing and Painting	Fine Arts II	Advanced Placement Studio Art: Two Dimensional Design
Advanced Photography	Fine Arts III	Advanced Ceramics Honors
Advanced Placement Studio Art	Portfolio/Gifted and Talented	Art and Design
Ceramics	Pottery I	Art and Design: Foundation Studies
Commercial Design	Pottery II	Ceramics I
Drawing I	Muse - Museum Studies	Designing With Technology
Painting I		Digital Photography
Photography		Drawing
Three-Dimensional Design		Drawing the Figure
Visual Design		Museum Studies
		Painting
		Printmaking and Graphic Design
		Sculpture
		Two Dimensional Design Concepts
Business / Career Education		
Accounting I	Business Apprentice	Accounting
Accounting II	Web Page Design	Financial Planning
Entrepreneurship	Essentials of Computer Technology II	Organization, Leadership and Communication Skills
Marketing I	Essentials of Computer Technology II	Sports and Entertainment Marketing
You and the Law		
	Academy of Information Technology	
	Level I	
	Level II	
	Advanced Level II	
	Automotive Technology I, II, III, IV	
	Residential Carpentry Technology	
	Cosmetology I, II, III, IV	
	Advertising Design and New Media Academy I, II, III, IV	
	ProStart Culinary Academy I, II, III, IV	
Computer Science		
Advanced Web Development		Advanced Placement Computer

Middletown High School Program of Studies 2009 - 2010	Newport Rogers High School Program of Studies 2009 - 2010	Portsmouth High School Program of Studies 2009 - 2010
		Science
`JAVA - Intro to Computer Science		Advanced Video and Digital Media
Operating Systems and Hardware		Computer Concepts and Applications
Web Development		Documentary Making
		Introduction to Java Microsoft Office Skills Video and Other Digital Media Visual Basic
		Visual Basic Advanced
		Web Page Development
		Web Page Development Advanced
English		
Advanced Journalism	English 9	Advanced Placement English
Advanced Placement English	English 9 Honors	Creative Writing
African American Studies	English 10	English 10
American Literature	English 10 Honors	English 11
American Literature Honors	English 11 English Standards 10	English 12
British Literature		English 9
Creative Writing		Film Studies
English 9		Introduction to Journalism I
English 9 Honors	English 11	Journalism II
Foundations of Literacy 9	Advanced Placement - Language and Composition	Technical Theatre Arts
Journalism I	English Standards 11	Theater Arts I
Literacy Lab	English 12	Theater Arts II
World Literature	Advanced Placement - Literature & Composition	
World Literature Honors	Reading	
Writing 104 (EEP)	Fundamentals of Literacy	
	Interdisciplinary Language Arts II	
	Creative Writing	
	Performing Arts	
Family & Consumer Education		
n/a	n/a	Architecture and Interior Design
		Culinary Practices I
		Culinary Practices II
		Child Development I
		Child Development II/Practicum
		Textiles and Fashion

Middletown High School Program of Studies 2009 - 2010	Newport Rogers High School Program of Studies 2009 - 2010	Portsmouth High School Program of Studies 2009 - 2010
Mathematics		
Algebra I	Fundamentals of Advanced Mathematics I	Advanced Math
Advanced Placement Calculus	Algebra I	Advanced Placement Calculus
Calculus	Geometry	Advanced Placement Statistics
Geometry	Applied Geometry	Advanced Math (Honors)
Geometry Honors	Algebra II / Trigonometry	Algebra I with Lab
Physical Education / Health 10	Algebra II / Trigonometry	Algebra I with Lab
Statistics and Applied Math	Elementary Analysis	Algebra II
Trigonometry/Pre-Calculus	Pre-Calculus	Algebra II (Honors)
	Calculus	Algebra II with Lab
Physical Education / Health	Advanced Placement Calculus	Calculus
Algebra II	Probability & Statistics	Discrete Math
Physical Education / Health 9	Consumer Mathematics	Geometry with Lab
Algebra II Honors	Applied Mathematics	Geometry with Lab
Physical Education / Health 11		Honors Geometry
Physical Education / Health 12		Pre-Calculus
		SAT Preparation
		Statistics
Music		
		Concert Band
Choral Ensemble	Band	Concert Chorus
Electronic Music	Chorus	Contemporary Singing Techniques
Guitar	Symphonic Orchestra	Guitar I
Guitar II	Music Production Studio I	Guitar II
MHS Band	Music Production Studio II	History of Jazz/Improvisation
MHS Chorus	Guitar Class	Music & Computers
Music Theory	History of American Pop Music	Music Theory I: Methods and Fundamentals
Music Theory II	Music Theory and Composition	Music Theory II: Contemporary Music
Piano		Piano I
		Piano II
		Select Concert Chior
		Symphonic Band
		Vocal Ensemble
Physical Education & Health		
Physical Education / Health 9	Health and Physical Education 9,10,11,12	Athletic Training-Prevention of Care of Athletic Injuries (Grades 11 and 12)
Algebra II Honors	Introduction to Dance	Health and Physical Education 10
Physical Education / Health 11	Performing Dance	Health and Physical Education 11

Middletown High School Program of Studies 2009 - 2010	Newport Rogers High School Program of Studies 2009 - 2010	Portsmouth High School Program of Studies 2009 - 2010
Physical Education / Health 12		Health and Physical Education 12
		Health and Physical Education 9
Science		
Advanced Physics	Physical Science	Physics First and Earth Science
Advanced Placement Biology	Physical Science Honors	Physics First and Earth Science Honors
Advanced Placement Chemistry	Advanced Placement Biology	Human Anatomy and Physiology
Biology	College Prep Biology - Lab	Chemistry
Chemistry	General Biology - Lab	Chemistry Pre-Advanced Placement
Environmental Sciences	Advanced Placement Chemistry - Lab	Chemistry Advanced Placement
Geo-Space Sciences	Chemistry in the Community - Lab	Biology
Physics First	Criminalistics: Intro to Forensic Science	Biology Advanced Placement
Physiology	Earth Science - Lab	Conceptual Physics
	Advanced Placement Physics - Lab	Physics
	College Prep Physics - Lab	Advanced Placement Physics B
	General Physics - Lab	Advanced Placement Physics C
	Physiology - Lab	Interactive Science
	Robotics	Oceanography
	Horticulture	Urban Ecology
Social Studies		
World History	World History	World Geography
Advanced Placement European History	African/African-American History	European History
Advanced Placement Human Geography	Advanced Placement European History	European History Honors
Advanced Placement US History	Geography	American Studies history 11
Advanced Placement World History	Ancient History A	US History Advanced Placement
Comparative Government and Politics/Contemporary World Issues	Ancient History B	Foundations of Western Society I
Psychology	Advanced Placement US History	Foundations of Western Society II
Sociology	Introduction to Psychology	Sociology
US History	Advanced Placement Psychology	Anthropology
World History Honors	Youth and the Law	Intro to Psychology
		Psychology Part II
		Economics (EEP)
		American Civics
Technology Education		
Advanced Woodworking	Classes offered via Newport Vocational High School	Technical Drawing & CADD (Basic)
Architectural Drawing I		Technical Drawing & CADD

Middletown High School Program of Studies 2009 - 2010	Newport Rogers High School Program of Studies 2009 - 2010	Portsmouth High School Program of Studies 2009 - 2010
		(Advanced/EEP)
Architectural Drawing II		Architectural Design and Drawing (Basic)
Computer Aided Design B		Architectural Design and Drawing (Advanced)
Fabrication Technology A		Electricity and Basic Electronics
Fabrication Technology B		PC Repair
Home Repair and Maintenance		Graphic Communications Basic
Intro to Computer Aided Design (CAD)		Graphic Communications Advanced
Robotics Research and Development		Principles of Publishing
Woodworking I		Introduction to Television Production and Broadcasting
		Television Production (Advanced)
		Woodworking Technology (Basic)
		Woodworking Technology (Advanced)
World Languages		
Advanced Placement French Literature	French, German, Spanish I	Advanced Placement- French, Spanish
Advanced Placement Spanish Literature	French, German, Spanish II	Level I - French, Portuguese, Spanish
French I	French, German, Spanish III	Level II - French, Portuguese, Spanish
French I Honors	French, Spanish IV	Level II Honors - French, Portuguese, Spanish
French II		Level III - French, Portuguese, Spanish
French II Honors		Level III Honors- French, Portuguese, Spanish
French III		Level IV- French, Portuguese, Spanish
Spanish I		Level V Advanced Studies - French, Portuguese, Spanish
Spanish I Honors		
Spanish II		
Spanish II Honors		
Spanish III		
JROTC		
n/a	ROTC Leadership Training I	n/a
	ROTC Leadership Training II	
	ROTC Leadership Training III	
	ROTC Leadership Training IV	

Summary of Newport Retiree Health Care Provisions

1. Eligibility: The contract defines two periods where retirees' healthcare is or is not provided. All who received any retiree benefit must be eligible for retirement. The requirements include a minimum of 10 years of service in the Newport School System.
    a. The first period is from the time the eligible teacher retires until the teacher becomes eligible for Medicare, also referred to as the "early retirement" period.
    b. The second period starts when the retiree becomes eligible for Medicare until death. This period is referred to as the "Extended Benefit" period.

2. Early Retirement Benefits (up until the retiree is eligible for Medicare) these benefits appear to be the same as those offered when the teacher was actively teaching.
    a. Health Care—Healthmate Coast to Coast
    b. Cost sharing
        i. If retired before Aug 31, 2005, cost share is 3%.
        ii. If retired after Aug 31, 2005, cost share is as follows:
            1. Between date of retirement until age 65.
                a. Opt out of Extended Benefit program
                    i. 2008-09, 10.5%
                    ii. 2009-10, 12%
                    iii. 2010-11, 15%
                b. Opt in for Extended Benefit
                    i. 2008-09, 15.5%
                    ii. 2009-10, 17%
                    iii. 2010-11, 20%
    c. Dental Coverage
    d. $50,000 life insurance

3. Extended Benefits (The benefit only applies when retiree reaches age 65. There is no benefits for those who opted out of the extended benefit package with the exception that there may be benefits for those who chose to work till age 65,
    a. For those already retired:
        i. Healthcare after age 65
            1. Two single Medigap policies with several riders including Blue Cross 80/20 co-pay prescription plan and Part B, or
            2. Existing medical plan, such as Classic Blue Cross Blue Shield (teacher pays extra cost of existing policy)
        ii. Cost share of premiums=3%
        iii. Dental Coverage—none
        iv. $50,000 life insurance—none.
    b. For those currently employed as of
        i. Healthcare after age 65
            1. 2 single Medigap policies with several riders including Blue Cross 80/20 co-pay prescription plan and Part B, or
            2. Existing medical plan , such as Classic Blue Cross Blue Shield (teacher pays extra cost of existing policy)

ii. Cost share of premium
    1. Those retiring between Sept 1, 2005 till August 31, 2008
        a. 2008-09, 10%
        b. 2009-10, 12%
        c. 2010-11, 15
    2. Those retiring Sept 1,2008 till August 31, 2011
        a. 2008-09, 15.5%
        b. 2009-10, 17%
        c. 2010-11, 20%
iii. Dental Coverage—none
iv. $50,000 life insurance—none.

Rights and Duties of Regional School Districts

Administrative Powers & Duties

1. To adopt a name and corporate seal;

2. To engage and employ a superintendent of the district who may also be a principal of a district school or schools on a contractual basis for either a definite or indefinite term as the regional school district school committee shall decide. The person employed shall have all the powers and duties imposed upon a superintendent of schools by law;

3. To choose a chairperson by ballot; and

4. To appoint a clerk and a treasurer, who may be the same person, and who need not be a member or members of the committee.[†††]

Legal & Contractual Powers & Duties

1. To sue and be sued but only to the same extent and upon the same conditions that a city or town may sue or be sued;

2. To make all contracts and agreements that may be necessary for the exercise of the powers vested in the district school committee with respect to items 1, 5 and 6 under the heading "Planning and Land Use Powers & Duties";

3. To engage legal counsel; and

4. To negotiate and contract with school employees and teachers for services to be rendered in the ensuing fiscal years pursuant to Chapters 9.3 (Certified School Teachers' Arbitration) and 9.4 (Municipal Employees' Arbitration) of Title 28 Labor and Labor Relations.

Financial Powers & Duties

1. The treasurer shall receive and take charge of all money belonging to the district and shall pay all bills and indebtedness of the district that have been approved by the committee; provided, that expenditures, encumbrances, and accruals shall not in any fiscal year exceed the total revenue belonging to the district. If the treasurer estimates that the actual expenses may exceed the total available revenue in any fiscal year, he or she shall notify the school committee and the superintendent of schools, and the chief elected officials of the cities or towns. Purchase orders or any financial commitments shall not be authorized, even on the order of the school committee, unless it can be proven that there will not be an excess of expenditures, encumbrances, and accruals over revenues. The

[†††] See "Financial Powers and Duties" for a further explanation of the treasurer's responsibilities.

clerk and the treasurer shall give bond to the district in the sum and with the surety as shall be satisfactory to the committee and conditioned for the faithful performance of the duties of the office;

2. To issue under its corporate name and seal bonds in serial form to an amount not exceeding the debt limits as described in R.I.G.L. § 16-3-11. The bonds shall be signed by the chairperson and treasurer of the regional school district committee; the principal and interest shall be payable in any coin or currency of the United States that, at the time of payment, is legal tender for public and private debts, and the debt secured by the bonds shall be obligatory on the district to the same extent as other debts lawfully contracted by the district;

3. To borrow temporarily and to issue temporary notes of the district, the proceeds of which shall be used only for the purposes set forth in subdivisions 1, 5 and 6 under the heading "Planning and Land Use Powers & Duties." Each authorized issue shall constitute a separate loan. Each issue may be for a period of not more than three (3) years and notes issued for a shorter period may be refunded or renewed from time to time by the issue of other temporary notes maturing within the required period of three (3) years, provided, that the period from the date of issue of the original loan to the date of maturity of the refunding or renewal loans shall not be more than three (3) years. Temporary notes of the district shall be signed by the chairperson and treasurer of the regional district school committee, and may bear interest or be sold at a discount. The period and discount or interest rate and other particulars of the temporary notes shall be fixed by the district committee. The temporary notes and renewal notes, including interest or discount on the notes and the expense of preparing, issuing, and marketing the notes, shall, unless otherwise taken care of, be funded by the issue of serial bonds under the provisions of number 1 of "Financial Powers and Duties." The aggregate principal amount of temporary notes issued and outstanding under this subdivision shall not at any time exceed the sum of the serial bonds authorized to be issued;

4. To incur temporary debt after the district school or schools are constructed and in operation in anticipation of revenue to be received;

5. To apply for and receive, accept, and use any state or federal funds or assistance, or both, as may be provided, whether in the form of a grant or a loan, or both, on the same basis as other school districts, but subject to the provisions of this chapter; to receive, accept, and use any gift from private sources; to receive and disburse funds for any district purpose;

6. To publish an annual report containing a detailed financial statement showing the total receipts and expenditures of the period covered by the report together with additional information relating to the maintenance and operating of the school or schools as may be deemed necessary by the regional district school committee;

7. The regional district school committee shall annually cause an audit to be made of the accounts of the regional school district and on completion of each audit, a report shall be made to the chairperson of the committee;

8. The school committee of each school district shall be responsible for maintaining a school budget which does not result in a debt;

9. The school committee shall, within thirty (30) days after the close of the first and second quarters of the state's fiscal year, adopt the budget as may be necessary to enable it to operate without incurring a debt; and

10. In the event that any obligation, encumbrance or expenditure by a superintendent of schools or a school committee is in excess of the amount budgeted or that any revenue is less than the amount budgeted, the school committee shall within five (5) working days of its discovery of potential or actual over expenditure or revenue deficiency, submit a written statement of the amount of and cause for the over obligation or over expenditure or revenue deficiency to the town council president and such other person who by local charter or statute serves as the city or town's executive officer; the statement shall further include a statement of the school committee's plan for corrective actions necessary to meet the requirements of subdivision (1) of this subsection. The plan shall be approved by the auditor general.

Planning and Land Use Powers & Duties

1. To acquire by purchase, gift, or other means of transfer or by condemnation, land, and improvements within the district as a site for a school or schools and the rights of way and other easements as may be required in connection with the use of the site;

2. For the purpose of acquiring land by condemnation for the site, the regional district is given all the powers conferred upon cities or towns for the condemnation of land for school purposes by § 16-9-5; provided, that the amount of land taken by the committee may exceed five (5) acres but shall not exceed thirty (30) acres for any one building site. The description, plat, and statement of the land taken under this chapter shall be signed by the chairperson of the regional district school committee and filed in the records of land evidence as provided in § 16-9-6. The owners of land or any persons entitled to any estate or interest in it taken by the committee shall have the same right of petition, the right of jury trial, and all other rights under the provisions of §§ 16-9-7 and 16-9-8;

3. Upon the filing of the description, plat, and statement of the land taken, the title to the land shall vest absolutely and in fee simple in the regional school district notwithstanding that any of the land taken is devoted to a public use, and the district, acting by and through the district committee and its duly authorized agents, may immediately enter and take possession of the land without any process of law required by statute or common law, and remove any or all buildings, property, or other impediments, and occupy, use, and improve the land for the purposes of this chapter notwithstanding any other provision of law;

4. The district, through its committee, is authorized and empowered to pay for the cost of acquiring land for the school site from the proceeds received from the sale of bonds issued pursuant to the provisions of this chapter, whether the property is acquired by purchase or by condemnation, or partly by purchase and partly by condemnation;

5. To secure competent architectural and engineering services for the taking of surveys, the preparation of plans and specifications for the construction and equipment of a school or schools in the district, and to employ clerical assistance as may be necessary; and

6. To construct, furnish, and equip schools and improve the grounds upon which the schools are located and to make additions to the schools as may be needed.

Literature Review

Introduction and Overview

In general, consolidation is the process of combining two or more school districts for the purposes of decreasing cost and increasing educational opportunity. The majority of the school consolidation movement in the United States spanned four decades, from the 1930s to the early 1970s. During this time period, the rate of consolidation of schools and districts ran apace.[1] Consolidation took place in waves, first in urban environments and then in rural areas. It is commonly reported that the impetus behind this transformation was the drive for economies of scale and instructional specialization drawing from the "economy of size" efficiency model of the early, industrial 20th Century.[2]

As the mission of schools and districts has moved beyond the "3 Rs" however, it has become more difficult to apply principals of economies of scale to education studies. As Duncombe and Yinger note:

> *The traditional concept of economies of scale refers to the relationship between average costs and output. In education, output is a difficult concept to define because educational services are multi-dimensional and involve the actions of many personnel. The most general formulation in the literature is to say that educational output is defined by student performance and that this output is produced by a combination of inputs supplied by a school, such as teachers, and fixed inputs, such as student characteristics. Even in this context, however, the notion of scale can be defined in several different ways.*[3]

Some researchers are critical of costing-out (or economy of scale) approaches to education research. [4,5, 6,7] Eric Hanushek's comments on outcome standards used in 2004 adequacy studies on New York State have drawn some attention to costing-out studies in general: "[b]y their very nature such studies provide little information about the costs of achieving improvements efficiently."[8] In a later study, Hanushek and Rivkin, observe that "spending growth is subject to varying interpretations, particularly when the expenditures are not embedded with an optimizing framework. Changing expenditure can reflect changes in input costs, an expansion of school responsibilities and objectives (for example special education), altered choices about level of outcomes (or quality), and varying efficiency of resource use."[9] Similarly, Hicks and Rusalkina note that an economies of scale approach to education research is inappropriate given that public schools "enjoy few of the efficiency characteristics of competitive firms."[10] A 2004 policy report by the Goldwater Institute comments that "the impact of various types of administrative costs on overall costs is far more complex than linear size-cost consolidation proposals admit."[11]

Despite the difficulty of adequately assessing the impact of school or district consolidation, there is a large and growing body of research on the topic. Michael A. Rebell observes that, from 1990 onward, the evolution of funding programs and education standards has provided legislatures with a basis for formulating education funding decisions, and has spawned adequacy cost studies in over 30 states, nine of them in the single year of 2004. Many of these studies are the subject of assessment in literature that attempts to draw comparisons of both results and methodologies.[12] Factors in these studies vary, based on combinations of demographics, a focus on averages, measures of performance, process, incentives, and sourcing of funds. [13,14,15,16]

Economies of Size

Often, the primary focus of studies on consolidation is the issue of "optimal size", which is related to the economies of scale argument. After a certain point, or above a certain size, diseconomies of scale will begin to emerge, limiting the positive effects of consolidation. While most studies agree that there is a point at which diseconomies of scale emerge, there does not appear to be consensus regarding the term "optimal". For example, "optimal" could refer to the most cost-efficient point, the point at which districts can offer the most diverse curriculum or extracurricular activities, or a size that maximizes test scores or minimizes dropout rates. That there may be one optimal size for achieving the greatest cost-effectiveness and another for maximizing test scores speaks to the difficulty in evaluating the benefits of consolidation.[17]

There does not appear to be consensus regarding the terms "large" and "small" as they apply to school or district size. In general, the literature demonstrates that very small and very large districts have the highest per pupil costs (a U-shaped production function); however, one study defined "small" districts as those with less than 5,650 students and "large" districts as those with more than 25,546 students, while another considers a district with less than 1,000 students to be "small" and one with more than 6,000 students to be large.[18,19]

At the same time, Andrews et al. report that "some common findings exist that are suggestive of what may emerge in future research. Cost function results indicate potentially sizeable cost savings up to district enrollment levels between 2,000 and 4,000 students, and that sizeable diseconomies of size may begin to emerge for districts above 15,000 students."[20] Duncombe and Yinger report that "[t]he 'optimal' (that is, lowest-cost) district enrollment is approximately 6,000 students for total costs, 1,500 to 3,500 students for operating or instructional costs, and just over 1,000 students for transportation costs." [21] A Deloitte Research analysis of education expenditures in Vermont's found that the "optimal school district size *strictly from a cost perspective* was 3,525 students per school district."[22]

Educational Outcomes

In addition to efficiency-based arguments, there is a significant amount of research on the effects of school or district size on educational outcomes, such as test scores, graduation or drop out rates, and attendance. As with studies on the cost-effectiveness of consolidation, findings on the impact of school and district size on educational outcomes is mixed. It should be noted, however, that as with studies regarding the economic benefits of consolidation, these studies defines "small" and "large" differently, which will necessarily have an impact on the applicability of their conclusions.

Proponents of consolidation note that larger schools and consolidated districts can provide students with a broader range of curricular and extracurricular offerings.[23,24,25] These schools and districts may also able to offer more specialized facilities and staff and provide greater opportunities for professional development.[26] In a study of five towns in rural South Nevada County, Arkansas, Benton found that, in addition to expanded curricular and extracurricular options, there was demonstrated academic improvement at both the elementary and secondary level, as well as an increase in the number of high-school graduates attending college.[27] In a post-consolidation evaluation of Mendon Union district in Ohio, Self notes that 11 of 13 surveyed teachers believed that students directly benefitted from consolidation and nine of the 13

teachers said they were better able to help students through a broadened curriculum.[28] Gardener et al. found a positive correlation between SAT scores and school size in California, echoing the findings of Bradley and Taylor and Eberts et al.[29,30,31]

Other research suggests that the liabilities of school or district consolidation – such as the decrease in parent involvement and the impersonal nature of larger institutions – have negative effects on student outcomes. Fanning notes the connection between large schools and increased social conflict (and thus reduced student outcomes), attributing this phenomenon to the impersonal, bureaucratic nature of larger schools.[32] There is also evidence that smaller schools and districts are better able to close the achievement gap between poor and wealthy students.[33] Other research notes ways in which smaller schools (though not necessarily smaller districts) enhance the educational experience of students. In his review of small schools and teacher professional development, Michael Klonsky notes that small schools are uniquely well-suited to take advantage of successful models of professional development (e.g., peer-coaching methods) due to their ability to foster closer interpersonal relationships among staff members. [34]

Within individual studies there are mixed results with regard to the effects of consolidation. In "School District Size and Student Performance" Driscoll et al. examine both school and district size on student performance and found that district size had a negative impact on performance and that school size had a negative effect at the elementary level but there were no discernable differences at the middle and high school level.[35] Despite their findings that larger schools were correlated to higher SAT scores, Gardener et al. also caution that smaller schools tended to have higher attendance rates, higher GPAs and greater teacher and student satisfaction.[36]

Other States

Massachusetts

According to National Center for Education Statistics (NCES) Common Core of Data (CCD) surveys, the enrollment of public elementary and secondary students in Massachusetts will drop 2.1 percent between 2004 and 2016. A 2008 brief by the Pioneer Institute attributes this drop to a declining rate of population growth.[37] The declines are most pronounced on Cape Cod and in Western Massachusetts, while enrollments in some Boston suburbs have increased.

The last regionalization in Massachusetts occurred in 2000 with Manchester and Essex. However, recently some communities have moved to explore the feasibility of regionalization and a regional planning grant was put in place for 2009, the purpose of which is to support local planning efforts to establish or expand a regional school district.[38] Three such districts are Ayer, Lunenburg and Shirley. Between 2002 and 2007, the neighboring communities of Ayer and Lunenburg saw student enrollment drop by nearly 4 percent. Along with Shirley, they commissioned a study by the New England School Development Council to explore regionalization for the three communities. A public hearing on their regionalization is scheduled for January 2009.[39]

Massachusetts has 391 operating school districts. The districts use 32 collaboratives, most formed out of a movement in 1974 to address demands for special education services.[40] According to the Pioneer Institute, Massachusetts compares poorly to other states in the use of

education collaboratives (known in many states as educational service agencies, or ESAs).[41] Regional collaboratives in other states typically offer a broader range of services. Massachusetts's 32 collaboratives serve only 75 percent of its school districts.

In August, 2007, Governor Duval Patrick issued an executive order (order No. 489) establishing the Readiness Project to address accountability and student outcomes. The project proposes "regional Readiness Centers" which are defined as:

> *[M]ulti-purpose, collaborative hubs for content and professional development as well as school improvement […] governed by diverse boards of representatives from higher education, elementary and secondary schools, and early education […] charged with bringing the latest research to educators; facilitating the exchange of best practices between teachers and school leaders; and fostering local partnerships among students, schools, educators, businesses and community organizations.*

As Massachusetts works to reconcile their current-year deficit and the projected FY 2010 deficit, there is some expectation from state house media that this budget will address funding for school district regionalization.

New Jersey

In December of 2006, New Jersey's legislature issued a special report by the Joint Committee on Government Consolidation and Shared Services. The report called for a limited pilot program for a countywide school district that could be used to "examine the desirability of employing a county-based model throughout the State". Legislation has not been passed to execute the pilot program.[42]

In March of 2007, the legislature created the "Local Unit Alignment, Reorganization, and Consolidation Commission" (LUARC) to establish measures for local government efficiency. LUARC's focus is on municipal and government services rather than on school district reorganization; however, the organization does provide a forum for district reorganization. In July, 2008 it hosted a presentation by the Mount Holly Township Board of Education that urged LUARC to bring together municipal officials who support consolidation.[43]

Legislation approved in April, 2007 allows for the Governor to appoint to each county an "Executive County Superintendent of Schools," and empowers that County Superintendent to recommend to the commissioner a school district consolidation plan to eliminate all districts, other than county-based districts and other than preschool or kindergarten through grade 12 districts in the county, through the establishment or enlargement of regional school districts."[44]

Two bills were passed in January, 2008 regarding regionalization. The first was a bill permitting the consolidation of a county vocational school district and a county special services school district into a single school district.[45] The second was the "School Funding Reform Act of 2008." The bill addresses funding adjustments that accommodate newly regionalized districts noting that: "New Jersey's current public school funding formula has not been used to calculate State aid for public schools since the 2001-02 school year. Any new school funding formula should account for changes in enrollment and other significant developments, providing relief to those districts that have experienced substantial enrollment increases."[46]

In May of 2008, sponsorship was updated on a bill introduced to the legislature and referred to the Assembly Education Committee. This bill calls on "the Commissioner of Education to study the issue of school district consolidation and in two years provide to the Governor and the Legislature a plan for eliminating all local school districts and establishing an educational system based on a county-wide model."[47]

Maine

At the end of 2006, three different reports came out on administrative costs and high per-pupil spending in Maine schools. Governor John Baldacci responded with – and the Legislature enacted – a massive schools reorganization program in June, 2007. The Governor's stated goal is to reduce the number of school districts down to 80 from 290. Reorganization laws, refined through April of 2008, required all school districts to work together to reorganize into larger, more efficient units. Where consolidation is impractical, these units are required to look for internal administrative efficiencies to reduce costs.[48]

These plans reorganize school districts to contain at least 2,500 students, with exceptions (down to 1,200) for communities that are isolated and rural, rejected for merger by surrounding districts, or are highly efficient and high performing. Reorganization plans do not close schools or displace teachers and students. Teachers and other school administrative unit employees will be transferred to the new unit, and will retain their rights under collective bargaining contracts If a school district fails to adopt the reorganization, it faces a 50.0 percent reduction in some aid streams and less favorable consideration for school building aid.

The process of district reorganization, laid out by law, began in August, 2007. School Administrative Units (SAUs) that are members of a proposed regional school unit were required to hold a referendum on the plan by January, 2009. All school districts are to be reorganized by July 1, 2009. As of December, 2008, plans for 16 new regions have been approved by the commissioner and by voters. Another 20 plans are pending voter approval. Thirty-four alternative plans have been approved by the commissioner. Alternative plans do not require voter approval.

Conclusions

The continuing argument for school consolidation has not changed much since the early days of the movement. Proponents argue that the process allows communities, particularly those facing declining revenues, increasing costs or a decreasing student population, to respond to those challenges by creating more economically efficient districts. At the same time, the argument is also grounded in the philosophy that "bigger is better", and that larger schools are better able to provide a range of curricular and extracurricular offerings, which, in turn, are posited to increase academic achievement. Further, it has been argued that larger schools provide educators with a broader range of resources, including professional development opportunities, which may increase teaching skill and efficiency.

Despite the sustained popularity of the school consolidation movement, the issue remains highly controversial. Opponents of the movement point to studies that there is little or no evidence of cost savings as economic efficiencies gained in one area, such as administrative salaries, are

replaced by additional costs in other areas like transportation. In addition, consolidated or regional districts result in a perceived or real "loss of local control" by communities, which is particularly relevant in communities where schools are seen as the "heart and soul" of the community. There has also been evidence that larger schools (though not necessarily larger districts) have negative educational outcomes, such as higher dropout rates, lower attendance, and worse test scores.

There is little consensus on district regionalization; however, an overview of the literature demonstrates a clear need for any analysis to take into account unique state and local factors. As Crawford notes, "it is apparent that there is no single optimal size that would work for all states and all communities. This is where context such as population density, state funding formulas, and differences in student characteristics can produce differences in the precise nature of the functions relating costs and size."[49] In his study on the effect of district consolidation on wages, Berry cautions that his "findings pertain to state average school and district size. One must therefore be cautious in trying to ascertain the 'right' size for any individual school or district." In general, studies that focus on individual districts or states attribute outcomes to factors specific to that district or state. Studies based on nationwide samples and nationwide statistics result in "average outcomes" that may not be generally applicable.

The EFPA at Syracuse notes that "methodologically strong research examining directly the cost savings from school consolidation or the impact of school size on student performance remains relatively thin."[50] Rebell calls for enhanced validity for future studies, contingent on improved methodologies.[51] Duncombe notes that "[t]o encourage more systematic evaluation of COA estimates, this research needs to move away from the advocacy environment to the realm of social science research where methods can be tested and evaluated without pressure to produce only one answer."[52]

References

[1] Berry, C. *School Consolidation and Inequality.* Brookings Papers on Education Policy; 2006/2007.

[2] Duyar, I, Collins, D. *The Effect of Consolidation on Extracurricular Activity Participation*. Academic Leadership, July 29, 2008;6(3).

[3] Duncombe, W, Yinger, J. *Does School District Consolidation Cut Costs?* Center for Policy Research, Syracuse University. 2001. Available at: http://www-cpr.maxwell.syr.edu/cprwps/pdf/wp33.pdf, accessed December 8, 2008.

[4] Rebell, MA. *Professional Rigor, Public Engagement and Judicial Review: A Proposal for Enhancing the Validity of Education Adequacy Studies*. Teachers College Record, October, 2006. Available at: http://www.schoolfunding.info/resource_center/research/professional_rigor.pdf. Accessed: December 12, 2008.

5 Hanushek, EA, Rivkin, SG. *Understanding the twentieth-century growth in U.S. school spending*. The Journal of Human Resources, 1997:32(1);35-68.

[6] Murray V, Groen R. *Competition or Consolidation? The School District Consolidation Debate Revisited*. Goldwater Institute Policy Report Goldwater Institute, No. 189, January 12, 2004. Available at: http://goldwaterinstitute.org/Common/Files/Multimedia/401.pdf. Accessed December 8, 2008.

[7] Hanushek, EA. *Science Violated: Spending Projections and the "Costing Out" of an Adequate Education*. In: "Courting Failure: How School Finance Lawsuits Exploit Judges' Good Intentions and Harm Our Children". Hoover Press: 2005. Available at: http://edpro.stanford.edu/hanushek/admin/pages/files/uploads/hanushek.pdf. Accessed December, 8, 2008.

[8] Hanushek, EA. *Pseudo-Science and a Sound Basic Education*. Education Next 5. (2005).

9 Hanushek, EA, Rivkin, SG. *Understanding the twentieth-century growth in U.S. school spending*. The Journal of Human Resources, 1997:32(1);35-68.
[10] Hicks, MJ, Rusalkina, V. *School Consolidation and Educational Performance: An Economic Analysis of West Virginia High Schools*. Prepared for The West Virginia School Building Authority. May, 2004.
[11] Murray V, Groen R. *Competition or Consolidation? The School District Consolidation Debate Revisited*. Goldwater Institute Policy Report Goldwater Institute, No. 189, January 12, 2004. Available at: http://goldwaterinstitute.org/Common/Files/Multimedia/401.pdf. Accessed December 8, 2008.
[12] Rebell, MA. *Professional Rigor, Public Engagement and Judicial Review: A Proposal for Enhancing the Validity of Education Adequacy Studies*. Teachers College Record, October, 2006. Available at: http://www.schoolfunding.info/resource_center/research/professional_rigor.pdf. Accessed: December 12, 2008.
[13] Berry, C. *School District Consolidation and Student Outcomes: Does Size Matter?* 2003. Available at: http://www.ksg.harvard.edu/pepg/PDF/events/SBConfPDF/papers/PEPG_03-12Berry.pdf. Accessed: December, 6, 2008.
[14] Galles, Gary M, Sexton, Robert L. (1995). Diseconomies of school district size. The Journal of Social, Political, and Economic Studies.
[15] Meyer, J, et al. *Centralization, Fragmentation, and School District Complexity*. Administrative Science Quarterly, 1987:*32*(2);186.
[16] Hanushek, EA. *Science Violated: Spending Projections and the "Costing Out" of an Adequate Education*. In: "Courting Failure: How School Finance Lawsuits Exploit Judges' Good Intentions and Harm Our Children". Hoover Press: 2005. Available at: http://edpro.stanford.edu/hanushek/admin/pages/files/uploads/hanushek.pdf. Accessed December, 8, 2008.
[17] Reilly, C. *School and School District Consolidation*. Available at: http://www.umaine.edu/mcsc/Research/EcoDev/school1.pdf. Accessed January 10, 2009.
[18] Colorado Legislative Council. School District Size Factors: Report to the Colorado General Assembly, Research Publication No. 451, January, 1999.
[19] Cox, D. *Big Trouble: Solving Education Problems Means Rethinking Super-size Schools and Districts-Focus on Utah.* Sutherland Institute, Salt Lake City, UT, 2002
[20] Andrews M, et al. *Revisiting Economies of Size in Education: Are We Any Closer to a Consensus?* Economics of Education Review. 2002:21(3);245-62.
[21] Duncombe, W, Yinger, J. *Does School District Consolidation Cut Costs?* Center for Policy Research, Syracuse University. 2001. Available at: http://www-cpr.maxwell.syr.edu/cprwps/pdf/wp33.pdf, accessed December 8, 2008.
[22] Eggers, WD et al. *Driving More Money Into the Classroom: The Promise of Shared Services.* Deloitte Research and Reason Foundation, Los Angeles, CA, 2005.
[23] Duncombe, W et al. *Potential Cost Savings from School District Consolidation: A Case Study of New York*. Economics of Education Review. 1995:14(3).
[24] Nelson, E. *School Consolidation*. ERIC Digest No. 13. 1985.
[25] Self, TL. *Post-Consolidation Evaluation – The Effects Eight Years Later*. Presented to the Annual Meeting of Midwestern Educational Research Association. October, 2001.
[26] Nitta, K et al. *A Phenomenological Study of School Consolidation*. EWPA Archive. April, 2008.
[27] Benton, D. *A Consolidation Success Story*. Paper presented at the National Conference on Creating the Quality School. March, 1992.
[28] Self, TL. *Post-Consolidation Evaluation – The Effects Eight Years Later*. Presented to the Annual Meeting of Midwestern Educational Research Association. October, 2001.
[29] Gardener, P, et al. *Academic Achievement and Parental School Involvement as a Function of High School Size*. High School Journal, 2000:83(2).
[30] Bradley, S, Taylor, J. *The Effect of School Size on Exam Performance in Secondary Schools*. Oxford Bulletin of Economics and Statistics. 1998: 60(3).
[31] Eberts, R. et al. *School Reform, School Size and Student Achievement.* Cleveland Federal Reserve. Available at: http://clevelandfed.org/Research/Review/1990/90-q2-eberts.pdf.
[32] Fanning, J. *Rural School Consolidation and Student Learning.* ERIC Digest. August, 1995.
[33] US Department of Education report cited in: MASS *Small and Rural School District Task Force Report*. September, 2008.

[34] Klonsky, M. *Small Schools and Teacher Professional Development*. ERIC Digest. Available at: http://www.ericdigests.org/2003-4/small-schools.html.
[35] Driscoll, D. et al. *School District Size and Student Performance*. Economics of Education Review. 2003:22.
[36] Gardener, P, et al. *Academic Achievement and Parental School Involvement as a Function of High School Size*. High School Journal, 2000:83(2).
[37] Ardon, K. *Enrollment Trends in Massachusetts*. Available at: http://www.pioneerinstitute.org/pdf/080924_ardon_enrollment_trends.pdf. Accessed January 8, 2009.
[38] Pursuant to Massachusetts State Law §71-14-16I
[39] See: http://www.ayer.k12.ma.us/uploads/scomm/ALS_SHORT_VERSION_08.pdf
[40] See: http://moecnet.org/services and http://profiles.doe.mass.edu/search/search.aspx?leftNavId=11238
[41] Stanley, MC. *Massachusetts Collaboratives: Making the Most of Education Dollars*. Pioneer Institute Whitepaper. 2005:23. Available at: http://www.pioneerinstitute.org/pdf/wp23.pdf. Accessed January 8, 2009.
[42] 2006 Special Session Joint Legislative Committee. *Government Consolidation and Shared Services. Final Report.* December 1, 2006. Available at: http://www.njleg.state.nj.us/PropertyTaxSession/OPI/jcgo_final_report.pdf. Accessed December 29, 2008.
[43] See: http://nj.gov/dca/affiliates/luarcc/
[44] See: http://www.njleg.state.nj.us/2006/Bills/PL07/63_.HTM
[45] See: http://www.njleg.state.nj.us/2006/Bills/PL07/222_.PDF
[46] See: http://www.njleg.state.nj.us/2006/Bills/AL07/260_.HTM
[47] See: http://www.njleg.state.nj.us/2008/Bills/A1500/1080_I1.PDF
[48] A summary is available at: http://www.maine.gov/education/reorg/lawsummary.html
[49] Crawford, J. *Research Literature on School District Size and Technical Appendix: Analysis of the Relation of Costs per Pupil and District Size in Nebraska*. Presentation to the Board of Education, Millard Public Schools, August, 2005. Available at: http://www.mpsomaha.org/mps/docs/documents/ACF1428.pdf accessed January 10, 2009.
[50] Duncombe, W, et al. *Economies of Size in Education.* Available at: http://cpr.maxwell.syr.edu/efap/Current_Research_Projects/Economies_of_Size.htm. Accessed December, 15, 2008.
[51] Rebell, MA. *Professional Rigor, Public Engagement and Judicial Review: A Proposal for Enhancing the Validity of Education Adequacy Studies*. Teachers College Record, October, 2006. Available at: http://www.schoolfunding.info/resource_center/research/professional_rigor.pdf. Accessed: December 12, 2008.
[52] Duncombe, W. *Responding to the Charge of Alchemy: Strategies for Evaluating the Reliability and Validity of Costing-Out Research.* Paper presented at the O'Leary Symposium, Chicago, IL, February 17, 2006. Available at: http://cpr.maxwell.syr.edu/efap/Publications/Responding_to_the_Charge.pdf. Accessed January 21, 2009.